



UK education
One bureaucracy
replaces another
Page 12



Yugoslav refugees
UN chief outlines
the options
Page 2



Earth Summit
Waste of time or
worthwhile forum
Page 10



Somalia
A logistical
labyrinth
Page 11



NEWSPAPER
of THE YEAR

FINANCIAL TIMES

Wednesday July 29 1992

EUROPE'S BUSINESS NEWSPAPER

D8523A

Allied-Lyons and Carlsberg press on with merger

Allied-Lyons and Carlsberg indicated that the \$510m (\$983m) merger of their UK brewing operations would go ahead after modifications to meet the demands of the Monopolies and Mergers Commission. The MMC has outlined several stipulations before the deal between the UK drinks, food and retailing group and the Danish brewer can proceed. Page 15; Lex, Page 14

Vote of confidence: Italy's month-old government is to put its emergency economic package to a vote of confidence in the Chamber of Deputies today. Defeat could mean the fall of the four-party coalition. Page 2

Allianz shares fell by 3 per cent when the German insurance group reported flat net profits for last year and the first-ever loss on its mainstream underwriting business. Page 15

Wall Street: The Dow Jones index ended 51.87 ahead at 3,334.07 - up 1.6 per cent - largely thanks to an unexpectedly strong second-quarter earnings report from Chrysler and a sharp advance in the bond market. World stocks, Page 36; Chrysler results, Page 15

Somalia airlift: The UN Security Council has approved an emergency relief airlift for millions of starving Somalia cut off by civil war from food and medicine. Harsh dilemma, Page 3

Upset for American swimmers:

Matt Biondi, America's hero in the 1988 Olympics in Seoul, lost his 100m freestyle title when he was beaten into fifth place by Alexander Popov of the Unified team. Red-hot favourite Janet Evans of the US, world record holder in the 400m freestyle, was also defeated, when Dagmar Hase of Germany made up a near one-second deficit in the final 50m to push the American into silver medal position. Meanwhile, Barcelona was sweltering in a heatwave, with pollution levels soaring. Olympic coverage, Page 5

German economy: Engineers, retailers and economists warned that the expected recovery would be delayed, placing most of the blame on the Bundesbank's high interest rates policy. Page 14

EC Vat deal: John Major, UK prime minister, vigorously defended Britain's agreement to an EC minimum rate of value added tax against charges from within his own party that the deal undermined Britain's sovereignty. Page 14; Interim agreement, Page 2; Editorial comment, Page 12

British Aerospace chairman John Cahill is expected to unveil next month his recovery strategy aimed at refocusing the group on its profitable core military aircraft and Airbus activities. Page 15; Lex, Page 14

Bush defends trade pact: President Bush defended the planned North American free trade agreement between the US, Canada and Mexico, saying he would not "back down" in face of public or Democratic party opposition. Page 4

Tennessee, Houston-based conglomerate in the throes of restructuring, reported a sharp improvement in second-quarter profitability. Page 16

Fraud trial criticised: Britain's Blue Arrow fraud trial was a "costly disaster" for which both the trial judge and the Serious Fraud Office were responsible, according to the appeal court. Page 14

EC to take syndicated loans: The EC is to tap the international syndicated loans market with a three-year \$500m (\$675m) facility to pay for agricultural and medical imports by the former Soviet republics. Page 17

Kuwait crackdown: Kuwait's National Council endorsed a controversial law giving police wide powers to search for illegal weapons hoarded since the Iraqi invasion of 1990.

Wharf Holdings, Hong Kong-based conglomerate, is to invest a fifth of its net assets in a multi-billion-dollar project to transform the central Chinese city of Wuhan, largely through a containerisation centre. Page 4

Renault and Peugeot, French carmakers, announced a co-operation accord to help the development of electric cars. Page 17

The debt decade: Ten years ago, Latin America precipitated an international debt crisis that threatened the stability of the industrialised world. Tomorrow, a Financial Times special report examines the aftermath and the lessons.

STOCK MARKET INDICES			
FT-SE 100	2,778.4	(+25.4)	
Yield	5.15		
FTSE Eurotech 100	1,098.28	(+1.0)	
FT-Air Shares	1,133.89	(+0.9%)	
FT-Air Index	138.02	(+1.0%)	
Nikkei	15,426.64	(+53.30)	
Dow Jones Ind Ave	3,334.07	(+51.87)	
S&P Composite	417.52	(+4.98)	
US CLOSING RATES			
Federal Funds	3.25%	(3.25%)	
3-mo Treas Bill Yld	3.25%	(3.25%)	
Long Bond	7.88%	(7.88%)	
Yield	7.42%	(7.42%)	
LONDON MONEY			
3-mo Interbank	10.5%	(10.5%)	
Life long gilt future - Sep 93	99.35	(Sep 93)	
NORTH SEA OIL (Argus)			
Brent 15-day (Aug)	\$28.76	(20.57%)	
Oil	\$28.76	(20.57%)	
New York Crude (July)	\$28.76	(20.57%)	
London	\$28.76	(20.57%)	

Australia	S&P30	Hungary	FTSE100	Malta	Ind50	S&P500	FTSE100
Bahrain	Dub100	Indonesia	FTSE100	Mexico	MEXB1	Singapore	SEI10
Belgium	BEI100	India	R200	Neth	FTSE100	Spain	IBEX35
Cyprus	CYI100	Indonesia	R200	Nigeria	NAI100	Sweden	STOCK15
Czech	CZS100	Israel	TA100	Norway	NOR100	Switzerland	SMI100
Denmark	DEN100	Italy	IT100	Oman	OMI100	Taiwan	TSE100
Egypt	EGI100	Jordan	JOI100	Pakistan	PSI100	Tunisia	DIT100
Finland	FIN100	Korea	KOS100	Philippines	PHI100	Turkey	TSE100
France	FTSE100	Kuwait	KWI100	Poland	PLI100	UAE	DAS100
Germany	DAX100	Lebanon	LBI100	Portugal	PTI100	Es100	
Greece	ATX100	Lux	LFI100	Qatar	QTI100		

Germany renews call for quota system to share burden of support

Sanctuary plea to UN for refugee Yugoslavs

By Frances Williams and Robert Mauthner in Geneva and Quentin Peel in Bonn

THE 31 countries attending a United Nations conference in Geneva on refugees from the former Yugoslavia will be urged today to offer "temporary protection" to those fleeing to neighbouring states.

Refugees needed to be given temporary refuge and ought not to be put through the normal political asylum interrogation procedure, Mrs Sadako Ogata, high commissioner for refugees, said in an interview with the Financial Times yesterday.

"What the refugees want is temporarily to be taken into a safe area. There may be people who are seeking permanent asylum, but what we are asking for is for the countries to give them authorisation for a temporary stay."

Mrs Ogata was unenthusiastic about proposals that countries should agree to a refugee quota system. She said a quota system never offered protection to any-

thing like the number of people who were seeking it. "If you end up taking 100,000, what happens to the rest of the people?" However, Germany was continuing to urge other EC states yesterday to agree on refugee quotas, in order to share the burden of supporting those trying to flee the fighting.

Mr Klaus Kinkel, the German foreign minister, said in a radio interview that every effort had to be made to house refugees in more countries across Europe, not simply in those geographically closest to the fighting.

"We must now try to share out this burden," he said. "It cannot be right that we take in 200,000 refugees, and other EC countries have practically nobody."

In addition to aiding those forced to leave their homes, the United Nations High Commission for Refugees is trying to get relief supplies to more than 850,000 people in Sarajevo and three other Bosnian towns - Bihac, Tuzla and Gorazde - under siege by Serbian irregulars.

UN officials are hoping that EC wrangling over burden-sharing



A US Navy Intruder aircraft prepares for a training flight from the deck of the carrier Saratoga which is in the Adriatic to enforce the UN embargo on Serbia and Montenegro.

will not detract from the main aims of the one-day conference, to be attended by ministers and top officials. These are to mobilise international support for the humanitarian effort and prod governments towards finding a lasting political settlement.

Mrs Ogata also expressed scepticism over proposals for Kurd-

ish-style enclaves within the former Yugoslavia. Siting enclaves outside safe parts of the region, for instance in Bosnia-Herzegovina, would pose serious problems in ensuring refugee safety.

The UNHCR will argue that the main need is to protect and assist refugees within the region. "Most refugees don't want to go far

away from their homes," Ms Sylvana Foa of UNHCR said.

Of the estimated 2.3m people who have fled their homes since the conflict began last year, almost 1.9m remain within the borders of the former Yugoslavia.

Ogata holds UN flag. Page 2
Peace hopes fade. Page 2

Future disputes with Iraq likely, says US

By George Graham in Washington

FUTURE confrontations with Iraq's president Saddam Hussein are almost certain, US administration and congressional leaders said yesterday, even though immediate military action is no longer likely after the return of a United Nations inspection team to Baghdad.

"I think it's pretty predictable that it's going to happen. We just don't know when it's going to happen," said Senator Robert Dole, Republican leader in the Senate, after a meeting with President George Bush yesterday.

Democratic congressional leaders, who also attended yesterday morning's White House meeting, promised full support for the president in any future confrontation.

The US has been preparing for a future showdown by shifting its focus away from the latest dispute over UN access to the Bag-

dad agriculture ministry, and towards the issue of Mr Saddam's attacks on the Shia population in southern Iraq.

US officials are reported to have urged the Security Council to test the degree to which Mr Saddam is now willing to offer full access to UN inspectors by speeding up planned inspections. Meanwhile, Mr James Baker, the secretary of state, is due to meet Iraqi opposition leaders in Washington this week in the administration's most overt show of support for anti-Saddam groups.

Administration officials have also emphasised the plight of the Iraqi population, especially in the southern marshes. They say Mr Saddam's forces have been razing villages, damming waterways which feed the marshes, and may have used biological and chemical toxins to poison the water.

The State Department has explicitly warned that Iraqi aircraft attacking the Shia population are violating the ceasefire

towards Iraq carries risks on both sides: he remains vulnerable to charges that his administration was unnecessarily cosy with Mr Saddam before the invasion of Kuwait in 1990, and also to popular, if arguably unjust, perceptions that he failed to finish the job by following up Desert Storm with a march on Baghdad.

Failure to act carries the risk of appearing impotent in the face of the man Mr Bush calls "the Baghdad bully". Mr Bush's military advisers have repeatedly warned him, however, that they cannot guarantee Mr Saddam's removal without deploying a land force much larger even than that gathered for Desert Storm - an option which is neither domestically nor internationally feasible.

Mr Bush yesterday won the assurance of congressional leaders that they would back him in any showdown with Baghdad, and his Democratic opponent in the presidential election, Governor Bill Clinton, has also offered full support.

But that is unlikely to immunise Bush from criticism if Mr Saddam is as successful in future showdowns.

removal without deploying a land force much larger even than that gathered for Desert Storm - an option which is neither domestically nor internationally feasible.

Mr Bush yesterday won the assurance of congressional leaders that they would back him in any showdown with Baghdad, and his Democratic opponent in the presidential election, Governor Bill Clinton, has also offered full support.

But that is unlikely to immunise Bush from criticism if Mr Saddam is as successful in future showdowns.

removal without deploying a land force much larger even than that gathered for Desert Storm - an option which is neither domestically nor internationally feasible.

Mr Bush yesterday won the assurance of congressional leaders that they would back him in any showdown with Baghdad, and his Democratic opponent in the presidential election, Governor Bill Clinton, has also offered full support.

But that is unlikely to immunise Bush from criticism if Mr Saddam is as successful in future showdowns.

Tokyo warns that domestic recovery will be 'modest'

By Robert Thomson in Tokyo

STRONGER EXPORT demand caused Japanese industrial production to rise 2.1 per cent in June, compared with a month earlier, but the Ministry of International Trade and Industry said there was no sign of domestic economic recovery.

Meanwhile, the Economic Planning Agency released an annual white paper on the economy in which it predicted that a recovery was likely late this year or early next year, but warned that the upturn would be "modest".

The EPA is officially forecasting 3.5 per cent economic growth for the year to end March 1993, but has unofficially accepted that this is out of reach and that 2.5 per cent growth is more likely. Private forecasts suggest growth will be 2 per cent or less.

In arguing that Japanese banks do not face a crisis in covering problem loans estimated modestly at ¥7,000bn (\$56bn) to ¥8,000bn, the EPA admitted that

"it is likely that the settlement of these bad loans may take several years in the medium-run" and, meanwhile, "profits may be somewhat depressed".

The EPA also released a monthly report in which it said personal consumption growth was slowing, contradicting the white paper in which it said consumption would remain steady, if not expand. The agency noted that the inventory to sales index in May stood at 110.3, the highest level since 1975.

Miti said the seasonally adjusted production index in June for the mining and manufacturing sectors was at 120.3, compared to a 1985 base of 100, while the shipment index rose 1.9 per cent to 123.3 and the inventory index increased 0.8 per cent to 123.5.

Confirmation that Japanese manufacturers are increasing their exports to compensate for a slow domestic market came from the Japan Foreign Trade Council, which said the 19 largest trading

houses reported a 26.2 per cent increase in June export contracts, compared to a year earlier.

The surge in export contracts suggests that Japan's trade surplus, a record \$46bn in the first half, will continue to expand, creating further friction in relations with the US and the European Community.

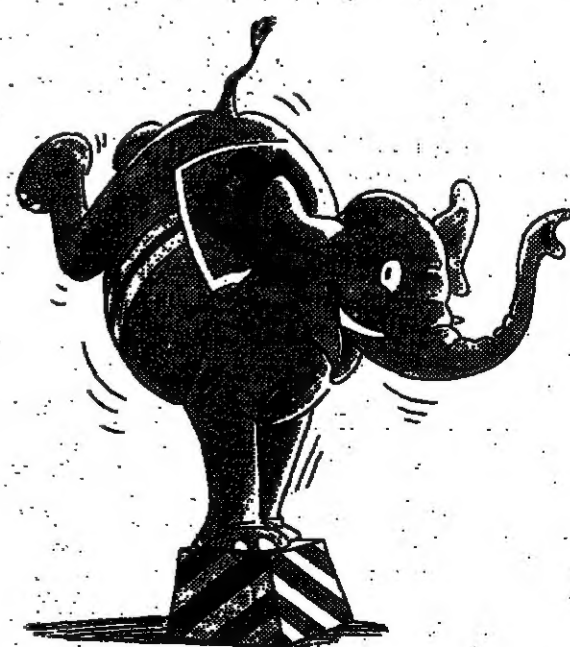
Meanwhile, Japanese government officials were relieved that Tokyo stock prices rose slightly yesterday. Mr Tsutomu Hata, finance minister, said a supplementary budget due to be finalised next month should be enough to turn the market round.

However, Mr Michio Watanabe, deputy prime minister, said companies should be allowed to buy their own shares to bolster Tokyo prices. As a means of supporting the ailing property market, he suggested local governments should increase their land purchases and land taxes be cut.

Nikkei rally. Back Page Section II

THE NEW IBM

OS/2



The most powerful PC operating system for your business.

IBM

NEWS: EUROPE

Amato puts reform plan to the vote

By Robert Graham in Rome

ITALY'S month-old government is to put its emergency economic package and structural reform programme to a vote of confidence.

Mr Giuliano Amato's four-party government, backed by the Christian Democrats, Socialists, Social Democrats and Liberals, could fall if its 16-seat majority is whittled away by desertions. However, last night ministers appeared confident they would win approval.

The Chamber of Deputies will vote today and the Senate next week.

The vote of confidence has always been on the cards, but Mr Amato decided to resort to this device both to emphasise the urgency of the measures and to avoid lengthy filibustering by opposition deputies. It was disclosed yesterday that 851 amendments and changes had been tabled.

Mr Giovanni Goria, finance minister, yesterday told parliament: "This is a financial package which must be put behind us as soon as possible because the problems we have ahead of us are even more serious."

The package is seeking to raise an extra L30,000bn (£13.67bn) in revenues and spending cuts in order to contain the budget deficit to L150,000bn, equivalent to nearly 11 per cent of gross domestic product.

Also as part of the package

are outline proposals for privatisation. The reform of pensions, public health and local government finance, as well as a shake-up of the civil service, will be debated separately. Parliament is being asked to approve these latter measures as a special decree which will then permit the government to work out details on its own.

The government insists speed is essential because it has to prepare the 1993 budget in September. Uncertainties about the state of the current year's budget would make this exercise impossible. Equally, if the government were to fail to obtain a vote of confidence, the government would fall precipitately early elections - a prospect no party relishes.

Also yesterday, Mr Piero Barucci, treasury minister, announced to parliament that the government would revalue the assets of IRI, the main state holding company which has just been converted into a joint stock company. IRI currently has a temporary capital of L1,873bn which represented its previous endowment fund, against debts of more than L60,000bn. Revaluation of its assets would enable it to comply with legislation on the ratio of debts to capital.

"We will revalue the subsidiaries of IRI," he said, "and we will reassure creditors, national and foreign, on the nature of the joint stock company which will be 100 per cent in the hands of the Treasury."

Turkey braced for summer of discontent

By John Murray Brown in Ankara

TURKEY'S 40,000 municipal workers are to strike from tomorrow, bringing cities to a standstill in the first test of the fragile consensus between labour unions and the coalition government.

With wage negotiations deadlocked for 100,000 workers in public sector enterprises, and civil servants protesting against their pay award, Turkey is braced for a summer of industrial unrest.

Labour unrest could prove a stumbling block to the two-party coalition's pledge to lift the restrictive union laws inherited after the 1980 military coup.

The budget is already under pressure, and the cabinet appears divided whether to meet its promises or stick to its inflation targets and risk alienating a key political constituency for both the conservative True Path Party and the Social Democratic Populists.

Last weekend, Mrs Tansu Ciller, chief economics minister, revived her plan for wage indexation, linking wage increases to the inflation rate, which is running at 70 per cent. Union leaders quickly rejected the plan. "She's trying to put a freeze on wages," says Mr Sevik Yilmaz, head of Turk-Is, the main union confederation.

Mrs Ciller criticised the recent award to civil servants, a 30 per cent increase over six

months which is estimated to add a third to the government's budget deficit. The recent award for the 500,000 civil servants is estimated to have cost the treasury an additional TL9,000bn (£1.3bn), compared with a targeted budget deficit of TL32,000bn. Agricultural workers were awarded an 86 per cent wage rise. It is unclear how the government proposes to finance the increase.

The unions' case is that wages fell badly behind during the 1980s. The average daily wage is around \$3 in state industries. Unions are trying to extend the social security net to compensate for low wages.

Mr Yilmaz says he has the support of Mr Mehmet Mogulay, the SHP labour minister, who has proposed a job security bill requiring an employer to seek court approval before he can make people redundant. This could disrupt the government's privatisation programme. Turkey plans to raise TL5,500bn through sales of state assets in 1992. Bids were submitted last week for 11 state cement companies, a sale expected to raise \$350-\$400m.

Freedom to restructure the labour force is an important incentive for the many foreign concerns showing interest in Turkey's state asset sales. Overmanning is seen as the main reason for the losses of the 280 state enterprises, which in 1991 came to an estimated TL13,000bn.

The conference on Yugoslav refugee crisis opens today in Geneva



Mrs Sadako Ogata, United Nations High Commissioner for Refugees: "I would hope that the magnitude of the humanitarian solutions and some information on the implication of what is happening might provide governments with the urgent desire to overcome the problem."

Temporary retreats advanced by Ogata

By Robert Mauthner and Francesca Williams in Geneva

MRS SADAOKO OGATA, United Nations High Commissioner for Refugees, will today preside over one of the most important conferences in a life largely devoted to the promotion of human rights.

The aim of the conference, to be attended by 31 nations, is to tackle the problem of the rapidly growing number of refugees from the former Yugoslavia, now totalling nearly 3.2m including those trapped in Bosnia.

At a time when the military situation on the ground is daily making their situation worse and many neighbouring countries are already claiming they are saturated with Bosnian refugees, Mrs Ogata, a 64-year-old Japanese professor of international relations who has held her current post for less than two years, is the first to admit the task is momentous.

She is nothing if not realistic. No, Mrs Ogata is not proposing any specific solutions to the refugee crisis. "In general, when you call a conference you spend several months or even a year to pre-

pare it and a solution.

"So this is more of an emergency conference to alert the world about what is happening. What I am proposing is not a solution, but a follow-up mechanism to assess needs and how to deal with them."

Stressing that neither funds nor emergency supplies could provide a long-term solution to the refugee crisis in the former Yugoslavia, the High Commissioner says it is up to the participating governments to find political solutions. "I would hope that the magnitude of the humanitarian solutions and some information on the implication of what is happening might provide governments with the urgent desire to overcome the problem."

Mrs Ogata is decidedly unenthusiastic about proposals that countries should agree to a refugee quota system to answer the complaints of those, like Germany, who have criticised their European Community partners for not accepting their fair share of Yugoslav, and particularly Bosnian, refugees.

The view of the UNHCR, the organisation which she directs, is that those fleeing the region to "adjacent countries", such as Austria and Hungary, should be offered "temporary protection" by the host country, instead of being put through the normal political asylum interrogation procedure. "What the refugees want is to be taken into a safe area temporarily. There may be people who are seeking permanent asylum, but what we are asking for is for the countries to give them authorisation for a temporary stay."

This, Mrs Ogata points out, is completely different from a quota system, which never offers protection to anything like the number of people who are seeking it. "If you end up taking 100,000, what happens to the rest of the people?"

Though recognising fully that most refugees want to remain either in their own country or somewhere close to home, Mrs Ogata is sceptical about the feasibility of creating "safe havens" in the Iraqi Kurdish model. That would be complicated in a country where the ethnic communities are so widely dispersed and it might encourage, rather than prevent, the widely criticised "ethnic cleansing" process employed by the Bosnian Serbs.

Moreover, who would protect the safe areas? Already overstretched, the UN would end up having to expand its peace-keeping forces even more.

"I would hope that the increased presence of international humanitarian workers like our own would be one way of ensuring a certain safety [for the population in a region]. In the past, though we do not

have very many people - about 60 including local staff in Yugoslavia as a whole - the fact that they have moved around has, in certain instances, prevented expulsions. An enhanced activity of that sort is very fragile, but nevertheless something of a safe area infrastructure."

Mrs Ogata admits that the crisis in Yugoslavia is going to cost "an enormous amount of money". But she does not think there is a funding crisis. Part of the money needed will be provided through contributions to the UNHCR, via the UN system. But a substantial proportion of the requirements would have to be supplied through bilateral arrangements between governments.

"This is more of an emergency conference to alert the world about what is happening"

and the refugee organisation.

The High Commissioner justified her sanguine view of funding by pointing to last year's Kurdish crisis. "We appealed and we were almost fully funded. We received and spent some \$20m for bringing back and providing winter accommodation for 1.7m Kurds."

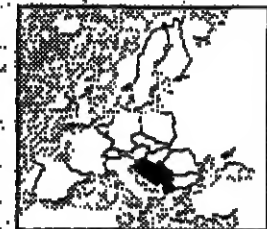
Since the UNHCR's latest appeal in May, the organisation has already received a little more than \$107m out of an estimated requirement for \$142m. A good part of the amount received - \$70m - came from the European Community. "It shows that the issues are European. Europe has to take the initiative in this. It took a little while, but it is coming now."

Mrs Ogata hoped today's conference would lead to the setting up of a good system of assessing the needs arising out of the Yugoslav refugee crisis, as well as an examination of possible solutions such as the proposals for refugee quotas and "safe havens".

Her own idea is to send an assessment mission to the region and she hopes governments attending today's meeting will join this project. "In three to four weeks we should be able to come up with a pretty good paper on what the needs are, while we carry on day-to-day operations. I hope that we might even be able to come up with some kind of proposal for a solution of the refugee crisis in that time span."

But ever realistically cautious, she adds: "That's my hope. There can be no assurance."

Refugee crisis



Humanitarian aid
Total requirements: \$141,925,500.
Total received: \$107,448,410
Total no. of refugees outside former Yugoslavia: 430,000.

Contributors outside Europe
Total: \$14m

European countries

Country	Refugees	Contribution
Austria	50,000	\$172,414
Belgium	870	
Czechoslovakia	1,500	\$2,908,475
Denmark	1,637	\$1,178,832
Finland	982	\$465,204
France	1,108	\$693,642
Germany	200,000	
Hungary	50,000	
Ireland		\$175,439
Italy	7,000	\$1,136,363
Luxembourg	1,000	\$88,235
Netherlands	6,300	\$2,111,111
Norway	2,331	\$2,273,865
Poland	1,500	
Sweden	44,167	\$5,188,058
Switzerland	17,573	\$2,915,328
Turkey	15,000	
United Kingdom	1,100	\$2,157,088
European Community		\$71,464,939
Deutsche Stiftung UNO R.		\$62,500
Schilling Vuchtelung		\$100,000
Others	30,000	

Refugees in former Yugoslavia

Present location	From Croatia	From Bosnia-Herzegovina	Total
Croatia	261,000	341,500	602,500
UN protected areas in Croatia	69,000		69,000
Serbia	164,172	224,551	388,723
Bosnia	98,000	588,000	686,000
Montenegro	7,500	41,000	48,500
Slovenia	3,000	67,000	70,000
Macedonia	2,500	28,500	31,000
Total	600,172	1,290,551	1,890,723

Source: UNHCR estimates, including 65,000 prisoners

Milosevic tightens his grip

By Laura Silber in Belgrade

THE Serbian government is trying to push through a package of laws to tighten President Slobodan Milosevic's grip on the republic.

The Socialist-controlled parliament yesterday debated a public order bill, one of many written in secret and proposed to be passed "urgently". Opposition deputies say under this law a Serbian citizen could be sentenced to 30 days in prison for arguing in public. The other laws aimed at clamping down on opposition range from the government's planned

takeover of Politika, the Belgrade daily, to a ban on rallies. In a tactical manoeuvre to head off more unrest, the government said it would amend its proposal to seize control of Politika. Several prominent Socialists have joined opposition deputies in protest. Some 4,000 of the company's workers have also threatened to strike.

An important element in Mr Milosevic's rise to power in 1987, Politika has become more independent in recent months. The government has also proposed a law which would give it effective control over the universities. After most

professors and rectors joined student protests in Belgrade earlier this month, the government now claims the right to appoint all university deans and rectors.

Mr Vuk Draskovic, leader of the opposition Serbian Renewal Movement, told journalists the laws were a government attempt to take revenge for mass public protests earlier this summer.

Opposition in Serbia has mounted after the UN imposed sanctions against Yugoslavia, consisting only of Serbia and Montenegro, for backing Serb fighters in Bosnia.

Hopes of breakthrough fade at London talks

HOPES for a breakthrough in Bosnian peace talks in London were fading yesterday, diplomats said, as Bosnia's foreign minister declared he would not negotiate while the streets of his republic were littered with unburied corpses, Reuters reports.

Mr Haris Silajdzic, a Moslem, also effectively rejected the latest EC peace plan, saying the proposed division of the republic would produce ethnic splits "drawn in blood".

EC negotiator Jose Cutileiro was canvassing views at separate meetings with Bosnia's three factions about a constitutional blueprint splitting the republic which is acceptable to Serbs and Croats but not to Moslems. After meeting the mediator, Bosnia's Serbian leader Radovan Karadzic backed the initiative, accused Moslems of breaking a ceasefire and called for face-to-face talks.

Mr Cutileiro, chairing the second day of talks, has put together a formula which includes a tribunal to monitor human rights but the Moslems reject at any carve-up.

EC members prove out of tune on VAT harmony

Numerous disputes could yet derail five years of talks on bringing indirect tax rates into line, writes Andrew Hill

OUZO manufacturers have had a reprieve, angustia bitters are safe and the black beer drinkers of Yorkshire can sleep easily in their beds.

They would be among the myriad beneficiaries of Monday's provisional EC agreement on indirect taxation, which would impose a legally-binding minimum standard rate of value added tax across the Community.

A standard VAT rate - 15 per cent for four years from January 1993 - is the simplest and most prominent of the measures as the agreement is hedged with a series of exemptions and delays, some so tiny as to appear absurd.

Ouzo, for example, would be allowed to retain a reduced VAT rate. Such exemptions are the most obvious symptom of the political wheeling and dealing which has been a feature of indirect tax discussions over the last five years. The horse-trading is not over. Member

states are still trying to resolve a number of disputes, any one of which could derail the entire package.

As always in Community affairs, the idea was simple at the outset - to encourage members to harmonise their indirect tax rates as a pre-condition for removing frontier controls on January 1, 1993.

The European Commission figured that if VAT and duties were not brought broadly into line, member governments might maintain controls to prevent shoppers taking advantage of lower rates in neighbouring countries.

In 1987, Lord Cockfield, then internal market commissioner, proposed two rates - a standard rate of 14 to 20 per cent and a lower rate of four to nine per cent. Six categories of goods, including food, water and books, would be eligible for the lower rate.

Indirect tax purists insisted the simplest system would be the best system. Federalists

within the Commission saw it as a chance to extend central executive powers over national fiscal sovereignty - one of EC governments' most jealously guarded rights.

Five years on, the provisional agreement would feature a minimum rate within the Commission range, but no maximum and a series of reduced (5 to 15 per cent), "super-reduced" (1 to 4 per cent) and zero rates - applied to 17 categories of goods.

In fact, the purists and federalists were always bound to compromise because Commission proposals on fiscal matters, however trivial, have to be approved unanimously. While that condition remains, it will be difficult to argue that "Brussels" has real power over national fiscal policy.

That is one reason why the provisional agreement leaves the existing system of VAT rates and excise duty in Europe almost unchanged. Many member states had acted

or promised to act on a non-binding rates agreement reached in June 1981.

As a result, ministers have been able to set in stone what had already been achieved. Only Germany and Spain will have to raise standard VAT rates, as they had promised; a handful of countries, including Spain, Italy and the Netherlands, will have to increase the price of cigarettes to meet the new harmonised 57 per cent duty; no country will be forced to change its duty on spirits.

Much still remains to be done. Agreement on another VAT directive, which would cover second-hand cars and artwork among other items, has been separated out from the eight-directive package, as has an accord on the rating of gold. Both will involve long and difficult negotiations.

EC companies, meanwhile, are less concerned about the political agreement on rates, than about the earlier, almost unnoticed accord on a transi-

tional system for the collection of VAT, which would last from 1993 to 1997. They say it will greatly add to the administrative burden on businesses.

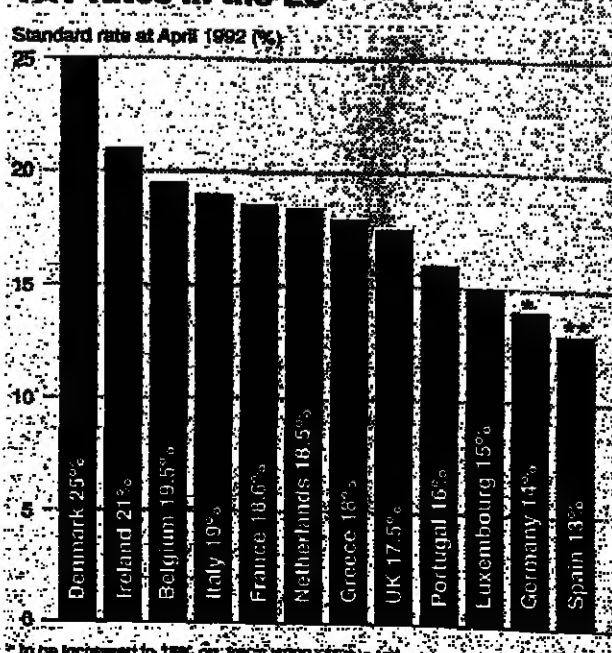
The priority, however, is to achieve formal unanimous approval of Monday's deal. Mr Norman Lamont, the UK chancellor who presided over Monday's meeting, described the package as a "house of cards".

Ironically, until recently, he was thought most likely to bring it tumbling down with British objections to a legally-binding rate.

But the UK's acceptance of that principle now means that other member states, in particular France, could hold the British presidency of the EC to ransom over their particular concerns.

Ministers have given themselves until midnight tomorrow to find a solution allowing all eight directives to be approved unanimously. Only then will the ouzo-makers be able to relax.

VAT rates in the EC



NEWS IN BRIEF

Danes to make EC proposals in autumn

DENMARK is to offer this autumn its solution to the crisis in the European Community resulting from its failure to ratify the Maastricht treaty on European union, Prime Minister Poul Schlüter said yesterday, Reuters reports from Copenhagen.

"We shall work for a new basis for the Maastricht treaty so that Denmark can sign the European co-operation pact," he said after a meeting of parliament's EC committee.

Mr Schlüter, a conservative leading a minority two-party coalition, said the government would publish a white paper on Denmark's future role in the EC shortly after the French referendum on Maastricht on September 20.

It would serve as the basis for a proposal to the British presidency of the EC Council of Ministers in October or November, he said.

If Denmark reached an agreement with the EC, Mr Schlüter said, it might then be possible to hold a new Danish referendum.

EC monetary union, defence and European citizenship were controversial issues in the Danish referendum campaign.

Brittan move over 'aid' to ABB

Sir Leon Brittan, the EC competition commissioner, is to recommend that Asa Brown Boveri (ABB), the engineering company, should repay Pta35.9bn (\$374m) in illegal state aid to the Spanish government, write Andrew Hill and Reuter in Brussels.

Sir Leon will put his proposal to fellow commissioners on Friday. Commission officials said the case was so sensitive they could not predict the outcome.

A bitter court battle with ABB - which denies it received the aid - and possibly also with Madrid, appears certain to follow any repayment order. ABB was "screaming blue murder" about the threat, said one official.

The Commission claims the aid was granted in the form of forgiveness by Spanish public authorities of debts owed to them by an ailing electrical capital goods group known as CCC when ABB took it over in July 1980, sources said.

They added that Sir Leon was also proposing that ABB should be made to repay Pta1.99bn which it allegedly received from the Madrid government to help cover the cost of making 1,660 employees of the CCC group redundant after the takeover.

Athens transport strike extended

Public transport workers in Athens yesterday extended their strike for at least a week and other unions decided to join them in solidarity, agencies report.

About 6,000 workers at the state bus company marched through central Athens to the Labour Ministry to protest against 1,200 job losses.

The transport ministry used hundreds of army trucks to help the city's commuters but taxis were almost impossible to find and traffic chaotic.

In Brussels, the European Commission dropped its inquiry into allegations that foreign firms were being frozen out of Greek public works contracts after the authorities promised to drop discriminatory practices.

July comes second with 26.6 per cent.

The Financial Times (Europe) Ltd
Published by The Financial Times
(Europe) GmbH, Frankfurt Branch
Nibelungenplatz 1, 6000
Frankfurt-am-Main 1, Telephone 49 69
158550; Fax 49 69 5964481; Telex
416193. Registered by E. Hugo
Managing Director: Dieter O'N
GmbH-Hürter International, 6078
Neu-Isenburg 4. Responsible editor:
Richard Lambert, Financial Times
Number One Southwark Bridge,
London SE1 9HT. The Financial Times
Ltd, 1992.

Registered office: Number One,
Southwark Bridge, London SE1 9HT.
Company incorporated under the laws
of England and Wales. Chairman:
D.E.P. Palmer. Main shareholders: The
Financial Times Limited, The Financial
Times Limited, Publishing director:
Rolley, 168 Rue de Rivoli, 75004 Paris
Cedex 01, Tel: (01) 4297 0621; Fax: (01)
4297 0629. Editor: Richard Lambert.
Printer: SA Nord Edar, 1521 Rue de
Caire, 91100 Roulleux Cedex 1, ISSN
ISSN 1145-2753. Commission Paritaire
No 67682B.

Financial Times (Scandinavia)
Vimmlerstræte 42A, DK-1307
Copenhagen-K, Denmark. Tel: 33 33 33
030 13 44 41. Fax: 33 33 33 33 33.

Jef in 1.50

Mandela strikes conciliatory note on government talks

By Philip Gawth in Johannesburg

MR Nelson Mandela, the African National Congress leader, yesterday toned down the stridency of recent ANC statements but repeated that it would not return to constitutional negotiations until the government met its demands.

These include a curb on political violence, an unambiguous commitment to majority rule and an interim government of national unity.

In an appearance notable for its

conciliatory tone, Mr Mandela said the ANC was "keen" that negotiations should resume, but this could only happen when their demands were addressed.

Speaking on his return from a visit to the Olympic games in Barcelona, a trip to the Middle East and last week's special United Nations debate on South Africa, Mr Mandela said next week's general strike, called by the ANC and its trade union ally, the Congress of South African Trade Unions (Cosatu), as part of their mass action campaign,

would go ahead.

He stressed that every effort would be made to keep it peaceful and said the ANC was taking precautions against "agents provocateurs" who might incite violence. He expressed the fear that attacks would come from worker hostels in urban townships.

Mr Mandela sharply rebuked senior ANC and Cosatu officials who have said the purpose of mass action was to drive the government from power.

"There is no question of the

object of mass action being insurrection," he said. "The aim of mass action is the immediate transfer of political power to the people of South Africa." This would take the form of an interim government of national unity and free and fair elections to a constitution-making body. He defended mass action as a channel to prevent voteless angry people from resorting to violence.

Mr Mandela also distanced the ANC from calls by civic associations for a black boycott of mortgage repayments. He stressed the

need for houses to be built and said a boycott would cause finance to dry up.

South Africa's police need a "massive purge" after allegations that they regularly beat prisoners to death, the Archbishop of Cape Town, Desmond Tutu, said yesterday, Reuter reports from London.

South African pathologist Mr Jonathan Gluckman said at the weekend police were to blame for about 90 per cent of the 200 deaths in detention he had investigated.

Bishop Tutu, arriving in London from Johannesburg for a six-day private visit, described Mr Gluckman as "exceedingly courageous". "These are some of the things we have always suspected," Archbishop Tutu told reporters at London's Heathrow airport. Blacks had little confidence in police. "We need a massive purge and that is why we need a professional, neutral, apolitical police force," he said.

Mandela, right: ANC 'keen' for negotiations to resume



UN's harsh dilemma in Somalia

Millions may die unless the UN deploys guards to protect relief convoys, writes Julian O'Zanne

THE United Nations Security Council has approved an emergency relief airlift for millions of starving Somalis cut off by civil war from food and medicine.

The Security Council resolution, passed late on Monday, suggests that the UN might have to deploy at least 500 UN guards in Somalia without the agreement of the country's disolute and obstructive warring factions in order to ensure the success of a long-term relief effort.

Both measures are vital to saving 4.5m hungry people and trying to bring some order to a country which has descended into a desperate spiral of anarchy, looting, famine and self-destruction. Aid workers in Mogadishu, the shell-shattered Somali capital, say at least a third of those in need of help are badly malnourished.

The UN resolution marks a turning point in a disaster which has so far received little attention from an international community obsessed by Yugoslavia. Efforts by the UN, Red Cross and other agencies to distribute food have become bogged down in the nightmare of Somalia's civil war.

Lengthy negotiations between rival Somali warlords have to be undertaken before food shipments are distributed to the various fiefdoms they control. Each shipment has to be accompanied by scores of ragtag gunmen in macabre "Mad-Max" vehicles employed by aid agencies. But, in a starving country where almost everybody, even six-year-olds, carry machine guns, bazookas and rocket-propelled grenades, food convoys are often diverted or massacred.

Aid workers say they are in a catch-22 situation: it is

impossible to ease the security situation without much greater distribution of food. However it is difficult to distribute food in the trigger-happy situation. Two weeks ago a UN food convoy was machine-gunned outside UN headquarters in Mogadishu, and a guard was killed. In such an appalling security situation UN officials in Mogadishu say it will be impossible to distribute sufficient food without the 500 UN guards. Gen Mohamed Farrah Aidid, the intransigent, power-hungry warlord who controls south Mogadishu, including the international airport and port, has thus far refused to allow the 500 UN guards into the rubble-strewn city. But talks were taking place yesterday between UN officials and Gen Aidid on the possible deployment of an international guard force.

A team of 50 blue-beretted military observers who arrived last week to monitor the shaky ceasefire have also yet to be deployed due to logistical problems and obstruction from Gen Aidid and Mr Ali Mahdi Mohamed, who controls the north of the city.

Furthermore, support for the UN military force from the world community has so far been negligible. Even limited military intervention, to secure Mogadishu's international airport for relief flights, has failed to materialise. The UN is using a private dirt airstrip 50kms south of the city.

The UN resolution is a victory for Mr Boutros Boutros Ghali, UN secretary general, and his special representative in Somalia, Ambassador Mohamed Sahnoun. They pressed the Security Council for urgent action and implied that the world's failure to respond to Somalia's plight was rooted in racism.



VICTIM: A Somali refugee boy cooks porridge while waiting to cross into Kenya. Monday's UN decision marks a turning point in a largely-ignored disaster

Western support for UN military intervention now appears to be developing. On Monday the White House urged the UN to move quickly to deploy guards and offered to contribute generously to fund these efforts.

US Senator Nancy Kassebaum has also called for the UN force to be deployed urgently without waiting for Gen Aidid's approval.

However, according to Mr David Bassiouni, UN co-ordinator for humanitarian assistance to Somalia, military intervention without agreement between the two sides could be dangerous. "We might find ourselves trying to take over the country and fight our way through and then the humanitarian operation would become secondary," he said.

The UN thus faces a dilemma. Easing the situation in Mogadishu is critical to the humanitarian effort because

the city must become the base for food distribution by road, the only really viable long-term means of getting food, medicine, seeds and tools across the country. Mogadishu has also become the home to hundreds of thousands of displaced people arriving in the city searching for food.

Furthermore, resolving the war between Ali Mahdi and Gen Aidid and the two sub-clans fighting in the city is a necessary first step to nationwide political reconciliation between the numerous armed factions and clans which control other parts of the country.

However, negotiations between the two sides in Mogadishu are not making any headway in the face of entrenched positions, caused not by politics, religion or ethnicity but by hunger for power and mutual mistrust. The current ceasefire between the two sides is observed more in the

breach. Although Mogadishu is quieter than it has been in the past 20 months, sporadic gunfire continues to echo throughout the city.

After months of inaction when medical and food relief efforts by agencies such as the Red Cross, the UN has now established a substantial, if precarious, operation in Somalia. Their presence has so far helped to ease both the humanitarian and the security situation.

However, the UN operation remains fragile and without the UN guards talk of evacuation is common. Rumours continue to sweep Mogadishu that the warring factions are stockpiling fuel, food and ammunition in preparation for another round of full-scale fighting. A fresh eruption would almost certainly force the UN to leave Mogadishu, and that would spell disaster for millions.

Spain and Morocco to discuss immigrants

By Tom Burns in Madrid

MR Javier Solana, the Spanish foreign minister, flies to Rabat, the Moroccan capital, today for talks on the growing problem of African immigrants entering Spain through Morocco.

He is the second Spanish minister to travel to Morocco in less than a week to discuss the sharp increase in Africans using Morocco as a staging post for illegal entry into Europe.

Mr Solana's trip follows a Spanish decision to take back 72 Africans expelled from the Spanish-held enclave of Melilla on Morocco's Mediterranean coast and refused entry by Morocco.

The refugees spent two weeks camping in nomad's land between the enclave and the Moroccan frontier.

The decision, described as a humanitarian gesture by Spain, followed a fruitless attempt by Madrid's interior minister at the weekend to persuade Morocco to accept the refugees.

Under an existing agreement, the Rabat government will take back its own nationals expelled from Spain but not illegal immigrants from other countries unless police can prove that they attempted entry from Morocco.

A group of 50 people recently arrested after landing in a fishing boat in southern Spain included Nigerians, Senegalese, Ethiopians, several who had destroyed their personal documents and refused to reveal their nationality, and only seven Moroccans.

So far this year about 500 illegal immigrants, the majority Moroccans, have been picked up by coastguards as they reached Spain across the 30-mile-wide Straits of Gibraltar.

As many as 50 are estimated to have drowned as they attempted the crossing.

Madrid has issued 60,000 work permits to Moroccans in Spain over the past 18 months and opened a soft credit line for Spanish companies investing in Morocco.

NEWS IN BRIEF

Israeli PM rules out deeper homes cuts

ISRAELI will finish building at least 9,500 homes in Jewish settlements - or nearly all the units under construction, despite a pledge to cut back on settlement housing, according to new figures released yesterday, AP reports from Jerusalem.

Construction on almost 5,000 homes has been cancelled and Prime Minister Yitzhak Rabin suggested deeper cuts were not possible because of legal and financial constraints. "We left a number of housing units in the territories, perhaps more than I would have wanted," he said.

The US has linked approval for \$10bn in loan guarantees to a settlement freeze. It had blocked the guarantees because of the accelerated building drive by Israel's previous right-wing government.

Egypt dismisses torture claim

A senior Egyptian official, responding to allegations that Egyptian police tortured prisoners, said yesterday that a small number violated human rights but they were tried and jailed if found guilty, Reuter reports from Cairo.

Major-General Bahaddin Ibrahim, assistant to Mohammed Abdel-Halim Moussa, interior minister, was responding to accusations by the US-based Middle East Watch. It accused Egypt's State Security Investigation (SSI), which is part of the Interior Ministry, of systematically torturing political detainees.

Gen Ibrahim said that some of Egypt's 100,000-strong police force were not wholly innocent. "But we have very limited cases where some policemen went beyond the law. They were put on trial," he said, adding that four police officers and about 11 policemen were in prison.

Iran steps up energy investment

Iran has increased investment in oil, gas and petrochemical industries this year by a quarter to 1.5 trillion (million million) rials - \$1bn at the floating exchange rate, Mr Gholamreza Agazadeh, oil minister, said, Reuter reports from Nicotia.

In an interview quoted by Iran's IRNA news agency, Mr Agazadeh said the oil ministry was drawing up extensive exploration plans to 1999, with priority given to border areas.

Lebanon rejects poll monitors

Lebanese Prime Minister Rashid al-Solh, in an interview published in Paris yesterday, rejected suggestions that international observers monitor forthcoming general elections in Lebanon, the first in 20 years, Reuter reports from Paris.

"The whole international press will be present and nowhere more than Lebanon is it free to observe. All the embassies will also be busy," Mr Solh told Le Monde. He was answering questions on suggestions that monitors check the elections in August and September, as part of the polling is to be in areas held by Syrian troops.

Banda to review detention law

President Kamuzu Banda of Malawi bowed to international pressure yesterday by promising a review and possible relaxation of the law allowing detention without trial, diplomats said, AP reports from Lusaka.

Mr Banda's announcement came two months after at least 22 people were killed in anti-government riots, the nation's worst urban unrest since independence from Britain in 1964. The riots were sparked in part by the detention of Mr Chakufwa Chikana, an anti-government activist who had been held several weeks without charges being filed. Western donors froze \$74m in aid in May to press for reforms. The president also said he would allow hundreds of Asians to appeal for the first time against the confiscation by the state of their businesses in the 1980s, according to diplomats.

South Korea finds solace in slowdown

Recent statistics indicate the heat is off the economy, writes John Burton in Seoul

GOVERNMENT officials in Seoul have greeted a recent raft of statistics with ostensible relief as they indicate the overheated economy is cooling down.

The growth rate of gross national product during the first half of 1992 slowed to 7.3 per cent against 9.3 per cent a year ago, according to the Economic Planning Board (EPB), the main economic policy agency. Inflation was almost halved to 3.8 per cent from 8.2 per cent and the current account deficit shrank to \$4.1bn from \$5.5bn.

The improvement is mainly the result of a strict monetary policy which has reined in domestic demand, reduced imports and narrowed the trade deficit.

Massive public construction projects, which fueled inflationary pressure over the last three years, have also been curbed and spending on public construction next year will be frozen at this year's level.

Moreover, the government has achieved unexpected success in persuading trade unions to lower their pay demands. Wage growth could slow to around 10 per cent this year against the annual rate of 20 per cent over the past five years.

The government is hoping that the good economic news will bolster the fortunes of the ruling Democratic Liberal party in December's presidential elections where the economy is expected to be an issue.

But unfortunately for the government, attention has focused on negative consequences of its monetary policy. Bankruptcies jumped 66 per cent in the first half of 1992,

reaching a record high. The figures include the failure of 18 listed companies, which undermined investor confidence and depressed the stock market.

Nonetheless, the government appears determined to curb money supply during the second half of the year and to implement an austerity programme, to include a review of defence spending despite the potential military threat from North Korea.

The planning board has committed itself to limit this year's growth in the broad M2 measure of money supply to 18.5 per cent against 18.6 per cent in 1991. This follows an average growth rate of 19 per cent in the second half of the 1980s.

The Bank of Korea, the country's central bank and a strong advocate of the tight monetary policy, recently stated that the government is progressing toward its target of a "triple seven" economy: a 7 per cent GNP growth rate, 7 per cent inflation and a \$7bn current account deficit.

The conservative bank predicts that the economy will grow 7.3 per cent against 8.4 per cent in 1991 and that inflation will slow to 8 per cent from 9.3 per cent last year.

The current account deficit is projected to shrink to \$6.7bn from \$8.7bn in 1991 as the trade deficit narrows to \$4.3bn. Exports will rise by 9 per cent, reflecting a recovery in over-

sees markets and the depreciation of the won. Imports are forecast to grow by 5.6 per cent, although rising oil prices remain a source of concern.

Officials continue to claim that the economy will stabilise within two years. The prospect of lower inflation and falling interest rates will accelerate liberalisation of the antiquated financial system, which is hampering performance by keeping interest rates high.

The government has promised to implement financial liberalisation measures, including interest rate deregulation and the free flow of capital, once the economy improves. In one sign of increased confidence, the Ministry of Finance

recently announced that some of these steps scheduled to take effect after 1994 would be introduced ahead of schedule.

Business leaders, including the Federation of Korean Industries, are warning that the economy is heading for a crash landing and are clamouring for easier credit.

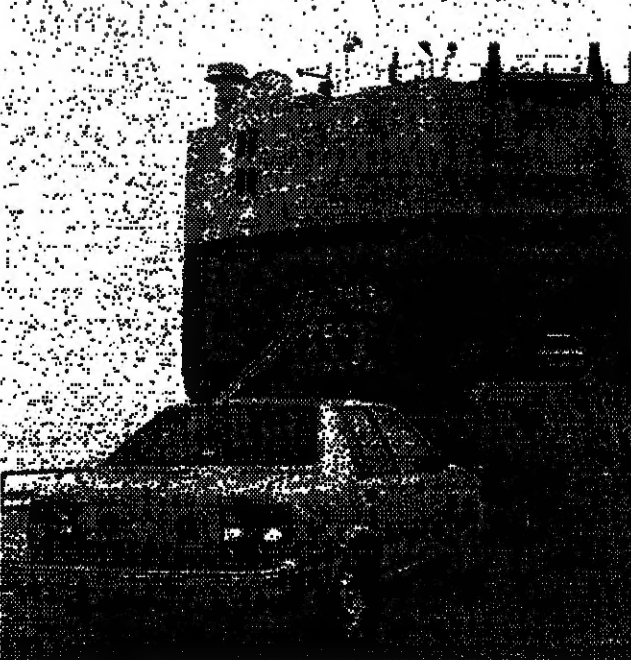
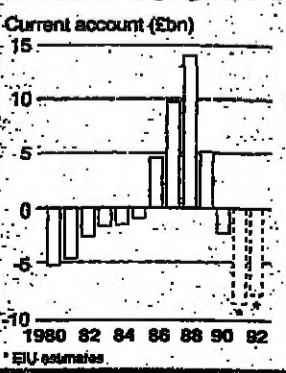
Corporate bond rates are almost 17 per cent, although they have gradually fallen in recent months. Small and medium-sized businesses have to pay even higher rates on the secondary market since they have difficulty in getting bank loans. The credit squeeze, combined with sluggish sales demand, is causing the wave of bankruptcies.

The government plans to adopt measures to funnel more credit to smaller companies to save them from bankruptcy. Banks will be required to direct 45 per cent of their lending volume to small concerns, an increase of 5 per cent. Moreover, the government will help guarantee loans made to small companies by short-term finance companies.

Meanwhile, steps to reduce loans to the country's industrial conglomerates are being taken. The government claims that borrowing by the conglomerates, or *chaebol*, is depriving the small business sector of capital. A freeze has been imposed on cross loan guarantees among *chaebol* subsidiaries.

Many securities analysts believe that the corporate sector is exaggerating the extent of its problems. They predict that earnings for most of the big business groups will increase next year as interest rates fall.

Balance of payments



The
ScottishPower
Shareholders
Meeting 5.30am,
Thursday 30 July,
BBC1.

For a 30 minute edited version of the
ScottishPower Shareholders Meeting, tune
into BBC1, or set your video recorder for
5.30am this Thursday.



ScottishPower

NEWS: AMERICA

UN begins inspection in Baghdad

By Mark Nicholson,
Middle East Correspondent
and Agencies

UNITED NATIONS weapons inspectors searched Baghdad's agriculture ministry for more than six hours yesterday after the weekend agreement to allow the UN access to the building.

"There's still work to be done," Mr Achim Biermann, the German leader of the inspection team, told reporters after his first tour of the building. "So we'll have to go back tomorrow."

As the inspection began, columns of demonstrators marched through the Iraqi capital, carrying anti-American and anti-UN banners but they were kept well away from the agriculture ministry.

Mr Biermann and six other UN experts entered the building just a few hours after arriving in Baghdad.

Under the compromise agreement reached with Iraq, two American members of the UN team stayed outside the building.

A previous UN team was barred from the ministry for three weeks, sparking off a tense confrontation between Iraq and the western powers. UN officials believed the agriculture ministry building housed documents and other materials suspected to be linked to Iraq's chemical, nuclear and ballistic weapons programmes.

A UN official said inspection of the building might take another day or two. "So far the team have not had the chance to get all members together to put together all the many observations and the notes they have made in the building," he said.

Mr Rolf Ekens, head of the special commission into Iraq's weapons of mass destruction, said earlier that much of what UN inspectors suspected had been hidden in the building might have been removed. "The Iraqis have had time to move material out of the building, but we still feel it is very important for us to ascertain what could have been there," he said.

Mr Douglas Hogg, British Foreign Office minister, meanwhile sought yesterday to keep alive the threat of military action against Iraq, telling BBC Radio that Britain would take "whatever steps may be necessary" to force Iraq compliance with UN resolutions. "That may very well involve the need to use military force," he added.

Clinton's critics score an own goal

By George Graham
in Washington

A White House assault on Governor Bill Clinton's lack of experience in foreign affairs appeared to have backfired yesterday.

A senior administration official said he had been discussing with allies the course of action that President George Bush's spokesman had the previous day cited as an example of the Democratic candidate's "reckless" approach to foreign policy.

Mr Martin Fitzwater, White House spokesman, spent much of Monday saying that a statement by Mr Clinton on US policy in Bosnia-Herzegovina showed he needed to "do some more homework on foreign policy".

Mr Fitzwater suggested that Mr Clinton wanted to bombard Bosnia - a somewhat loose interpretation of the Democratic candidate's suggestion that the US should seek authorisation from the UN Security Council for air strikes against those attacking UN and non-governmental relief convoys in the battered former Yugoslav republic.

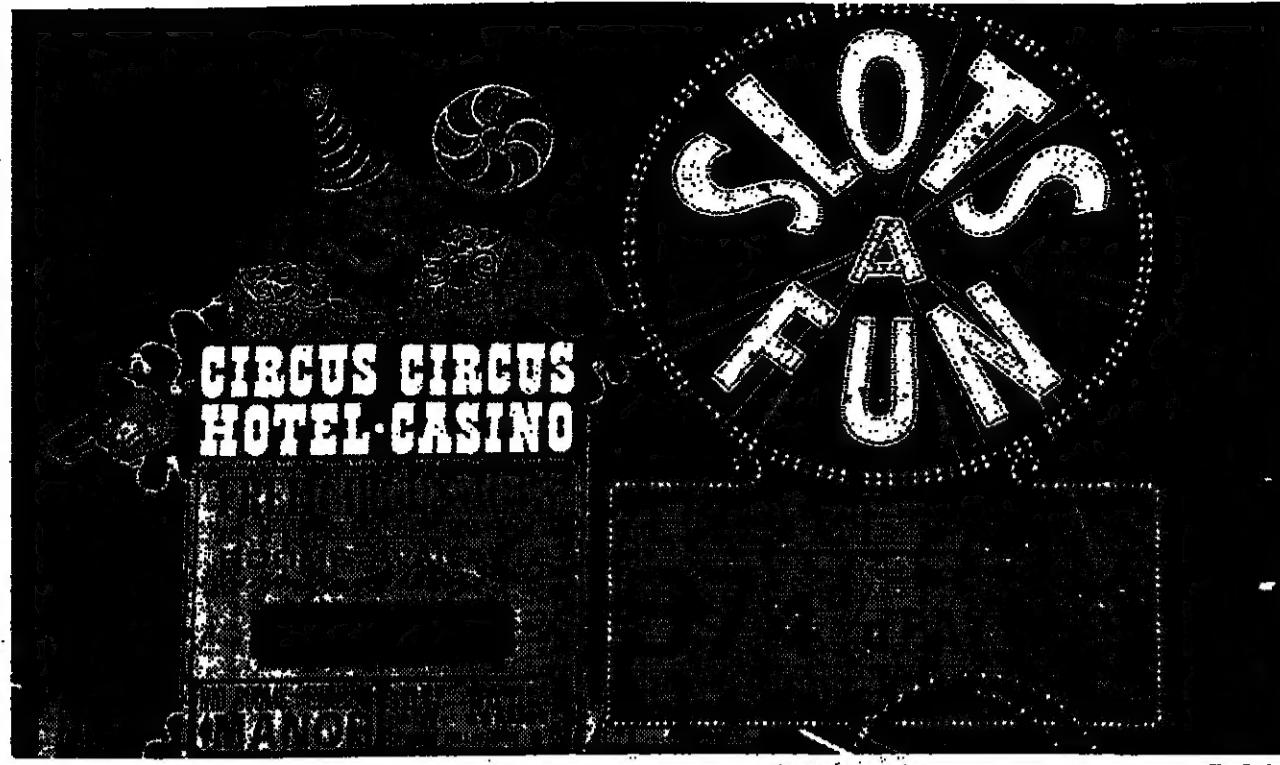
Yesterday, however, Mr John Bolton, assistant secretary of state for international organisations, said in Geneva that the US was consulting with other powers on possible military action to protect the delivery of relief aid to Bosnia.

Mr Bolton said the Bush administration did not favour military action "at this point," but "would support a Security Council resolution to authorise the use of all necessary means to assure the delivery of humanitarian assistance".

While foreign affairs are clearly considered to be Mr Bush's strongest suit in the November presidential election, Mr Clinton has carefully avoided any faux pas on the subject.

His speeches at Georgetown University outlining his approach to foreign policy were well received by diplomats and specialists.

Neither the speeches, nor the international plank of the Democratic party platform agreed in New York this month, deviate significantly from mainstream US foreign policy.



Las Vegas has long been a gambler's Mecca, but shifting trends in the gaming industry are threatening its supremacy

Gambling industry hits jackpot

ROULETTE wheels are spinning, blackjack cards are flashing - only the Indian motifs and some Hiawatha-styled waitresses suggest that this is a casino with a difference.

Welcome to Foxwoods, a complex in eastern Connecticut which opened its doors in April and packs in more than 20,000 gamblers a day at week-ends. What makes the casino unusual is that it stands on Indian reservation land and is operated by the Pequot Tribe.

It is a perfect example of why the traditionally restricted gaming industry in the US is suddenly hitting the jackpot.

Until recently only two US cities offered legalised casino facilities: glitzy Las Vegas in Nevada and New Jersey's depressed Atlantic City. Slowly, in the late 1980s, this began to change.

South Dakota voted to permit casino gambling in a depressed "Old West" town called Deadwood. The result has been tagged "one of the most successful gambling ventures in modern times," with revenues topping \$400m (\$250m) in the first two years.

The Deadwood example is now spreading to larger communities. A few months ago the Louisiana legislature approved construction of casino facilities on 6.5 acres near the French Quarter in New Orleans. Hotel

and casino operators, from ITT Sheraton to Carnival Cruise Lines, are queuing up for the licence.

In Chicago a joint plan by three big US gaming operators - Hilton, Caesar's World and Circus Circus - envisages a \$2bn gaming and entertainment centre. The city's Mayor

Richard Daley is supportive, even if Illinois' governor is not. And on the nation's waterways, Iowa and Illinois have recently introduced riverboat gaming while similar operations are expected to start soon in Mississippi and Louisiana.

The reasons behind this new permissiveness - which runs counter to the deep-rooted disapproval with gambling stemming from the scandals of the last century - are mainly financial. Recession has squeezed state budgets and gambling promises a speedy palliative - both in jobs and tax revenues. In New Orleans Governor Edwin Edwards has estimated the new casino could generate 25,000 jobs. The state, meanwhile, is demanding 18.5 per cent of the property's revenues or \$100m a year - which ever is greater.

But it is pressure from Indian reservations which many industry observers view as the more immediate force for change. Foxwoods illustrates why.

The Pequots won their right to operate a casino under a 1986 federal law which permits Indians to engage in any form

of gambling which is otherwise legal in a particular state. Connecticut's constitution outlaws "normal" casino operations, but allows charities to hold "Las Vegas nights" with "casino-style" gaming.

Using the loophole, the Pequots fought a long legal battle against opposition from the likes of Connecticut's Governor Lowell Weicker. The arguments only ended when the Supreme Court declined to hear the issue.

No sooner was Foxwoods off the drawing-board than Mr Steve Wynn, one of the boldest Las Vegas impresarios, proposed building a \$350m gaming and conference centre in Hartford, Connecticut's depressed state capital. As with New Orleans, such a scheme would require approval by the state legislature, and opposition has again been voiced.

Nevertheless, many observers think it is only a matter of time before Mr Wynn - or someone like him - prevails. The reasoning is simple: if on-shore gaming exists in the state anyway, why should the law not be changed to allow taxpayers to get some benefit? Foxwoods pumps considerable sums into the state's economy via secondary spending and the like - some estimates have suggested \$40m a year. But the state cannot impose any direct taxes on the resort's table gaming revenues.

The potential losers are Las Vegas and Atlantic City. The latter is about a three-hour drive from New York City, and Foxwoods can be reached in similar time. Already New Jersey has retaliated by extending permitted casino hours - and allowing round-the-clock gaming at weekends. Las Vegas, which has weathered recession far better than its East Coast counterpart, faces a less immediate threat. Nevertheless, about a third of its 20m annual visitors come from California, and expansion of Indian gaming centres there could pose competition.

The other potential loser is the punter - or, if fears of mob infiltration and prostitution prove correct, society at large. So far there has been no sign of anything so sinister at Foxwoods.

Union hits at BMW plans for US plant

GERMANY'S IG Metall metalworkers' union said yesterday it would fight BMW's plan to build a factory in South Carolina without union representation for workers, AP reports from Berlin.

IG Metall, which claims with 3.6m members to be the biggest union in the west, accused BMW of deciding to build in the US on political rather than economic grounds, to the detriment of Germany's industrial base. It said it would co-operate with the US autoworkers' union to see that the plant was unionised.

Munich-based BMW announced last month it had chosen to build its first US plant in South Carolina with an investment of \$250m.

Mr Eberhard von Kuenheim, BMW chairman, said in a meeting last week with reporters from South Carolina that the company would fight attempts to unionise the plant, and that a second plant would be built in the state.

"We don't need an outside, third party between management and our employees," he said.

IG Metall yesterday released a letter sent to Mr von Kuenheim from Mr Klaus Zwickel, a deputy president of the union, warning that BMW will be "no exception" to the union's policy of seeing that workers are represented in German-owned plants abroad.

The union would work closely with the United Automobile Workers in the US during the construction phase of the South Carolina plant to secure union representation, Mr Zwickel's letter said.

Germany, it would be unthinkable for BMW to open a new factory without union representation, and German law requires that employees be represented on an oversight council with power to influence company policy. Mr Zwickel is a member of the oversight council at BMW.

The doctrine is considered a cornerstone of social peace, democracy and good labour relations in Germany.

However, in recent years the high pay and benefits enjoyed by German workers have come under increasing fire from employers who say Germany is losing its industrial competitiveness.

IMF low-interest facility extended for further year

By George Graham

THE International Monetary Fund has decided to extend for one more year its Enhanced Structural Adjustment Facility (ESAF), a fund used to provide special low-interest loans to the poorest third world countries.

ESAF, which was set up in 1987, had been due to expire at the end of November, after a one-year extension last year. But the IMF agreed on Monday to a further year.

The fund is intended to provide balance of payments support to the poorest IMF member countries, at an interest

rate of only 0.5 per cent a year.

Finance ministers of the Group of 24 developing nations made a strong plea at this year's spring meeting of the IMF for ESAF to be made permanent, but the policy-making interim committee remained silent on the issue.

Although 72 low-income countries are eligible for ESAF assistance, China and India have said they do not intend to call on the fund. Only 19 countries had in fact used the facility by March this year.

Most of the ESAF users are in Africa, but Bangladesh and Bolivia have also borrowed from the fund.

NEWS: WORLD TRADE

Wage row threatens Italians' Polish deal

By Christopher Bobinski
in Warsaw

WAGE demands by unions at the Huta Warszawa steel mill threaten to delay a planned joint venture with Lucchini, the Italian steelmaker, in what promises to be the biggest foreign investment to date in Poland's steel industry.

A preliminary agreement signed last December commits Lucchini to an \$800m (£770.7m) modernisation programme for the Warsaw plant. Further contributions amounting to \$200m in cash, equipment and know-how will eventually give the Italians a 51 per cent share.

But wage talks planned for today come amid continuing industrial unrest as week-long strikes continue in the Lubin copper-mining combine and at the FSM car factory in Tychy.

Fiat of Italy is to make an investment of around \$2bn (£1.9bn) in FSM through a deal signed with the Polish government. The factory should be in the Italian company's hands by the autumn.

Meanwhile, the strikers are demanding that in time their wages should amount to one-tenth of the revenues from sales of the Clignancourt car produced there or a proportion similar to that earned by Fiat workers elsewhere.

At Huta Warszawa, the unions want a 100 per cent wage rise for the 4,700 workers earning an average 2.7m zloty (£109) a month. Management is offering only 10 per cent. Built in the 1950s, it is Poland's only quality steel producer. Output capacity is 700,000 tonnes a year, but sales last year amounted to 230,000 tonnes. Lucchini aims to raise output to 600,000 tonnes.

The accord should result in a partial debt-for-equity swap with Polish banks taking a 7.5 per cent share in the new company. At the moment the steelwork's net debt amounts to 500bn zloty.

Investors find the door ajar in Cuba

Businessmen report limited but growing foreign involvement, writes Stephen Fidler

FOREIGN involvement in the Cuban economy is growing significantly, according to British businessmen recently returned from a trade mission to Cuba.

Their conclusions, described in a restricted circulation report, are that the government is trying to move towards a state that is "managed rather than intimately controlled" by the Communist Party.

The report, "Cuba opens its doors to British business", says a kind of "creeping privatisation" - with the notable exception of land ownership - is under way in a bid to re-orient the economy following the collapse of trade with the former Soviet Union and east Europe.

Competition is being encouraged between autonomous and older state enterprises, as is profit, and the retention of hard currency earnings is allowable through an independent banking system.

The Cubans are seeking to re-orient export production, obtain new markets and find new sources of convertible currency. The report suggests companies from Spain, Italy, France, Canada, Brazil, Mexico and Argentina are taking the lead in investment in Cuba.

The report points to two main growth areas: biotechnology and tourism. In biotechnology, the aim is to link laborato-

ries to the production and commercialisation of advanced research finished or nearing completion.

Biotechnological research is likely to be marketed in the EC through joint ventures with Spanish, Dutch and Hungarian companies.

In tourism, already the country's largest foreign exchange earner, the development of new facilities has become the highest priority. In 1991, Cuba received more than 400,000 visitors and expects to receive more than 500,000 this year, projected to reach 1m by 1995 of which 90 per cent will come from Europe.

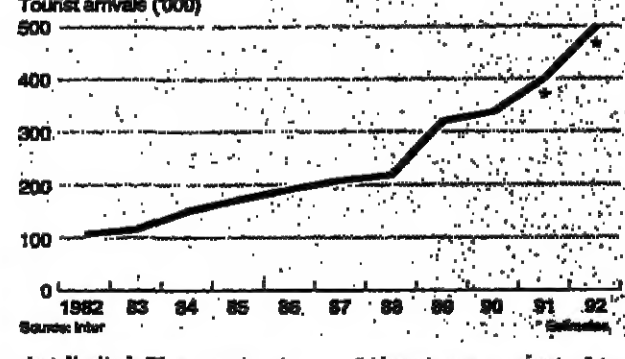
Cuba plans to build a further 3,000-4,000 rooms a year to 1995. Based on projects already implemented and other feasibility studies, foreign partners can recover investment in three years.

Spain has been the most aggressive investor in tourism, while Austrian, Italian, German, Swiss and Mexican companies have also shown interest. Projects are being discussed with Ramada, InterContinental, Camino Real, Lohr Metropole Group, Club Med and other companies, including some from the US.

A recent decision to encourage joint ventures and commercial arrangements in other sectors may in reality be some-

Cuba

Tourist arrivals (000)



Source: Inter

what limited. The report notes that the government is not interested in joint ventures in the production of sugar, health care, education, tobacco or in infrastructure outside Havana.

Cuba has, however, proposed to the Russian government a joint venture in Russia to refine sugar. Cuba is also looking at the possibilities of providing health care, hospital clinics and other social services to republics of the former Soviet Union.

The report suggests changes made thus far are likely to be followed by yet more dramatic changes and innovation in developing new commercial relationships and towards acquiring more advanced technology.

"Almost every aspect of traditional Cuban central planning has been abandoned in the autonomous sector and for joint ventures and there are signs that this process is now spreading to the internal sector," the report says.

Already all enterprises and government agencies are meant to cover expenditure from income. Even the sports ministry now has to earn its hard currency requirements from its training and other activities in third countries.

The State Committee for Economic Co-operation, whose historical role was as co-ordinator of government-to-government negotiations and with which the predominant responsibility for joint ventures now

lies, says some 50-60 joint venture agreements or other forms of economic association have been signed, and about 200 are under discussion.

However, the report says Cuban ministers acknowledge that most investment opportunities will be through economic association since a true joint venture is difficult to structure.

There are other difficulties too, not mentioned in the report. Some British businessmen considering business with Cuba say they have received hints that they might have adverse consequences on their regulatory treatment in the US. The Administration has already tightened regulations on shipping goods to Cuba.

Congressional proposals to tighten the economic noose around Cuba are causing concern as they could trigger a row with the British and other governments over the extraterritorial ambitions of US law. "It is for the British government not the US Congress to determine the UK's policy on trade with Cuba," one UK official warned.

Companies have also experienced not-so-subtle pressure from Cuban exile groups, which sometimes have significant knowledge about companies' investment proposals in Cuba.

Bush backs Nafta despite widespread public opposition

By Nancy Dunne in Washington

PRESIDENT Bush yesterday defended the planned North American free trade agreement (Nafta) between the US, Canada and Mexico, saying he would not "back down" in face of widespread public opposition and Democratic demands for changes in the proposed draft.

"Trust me to do what is right for America and what's right for the future," he said. Speaking at the White House before a group of Hispanic businessmen, who are expected to support Nafta, Mr Bush said agreement was very close, but "nobody is going to turn this one into a political football".

Clearly, that is what is happening. On Monday, the Democrats began a co-ordinated assault on the proposed pact on grounds the current draft did not protect workers and environment enough.

Congressman Richard Gephardt, House majority leader, warned the administration to write strong protective clauses into the pact and set up a specific funding mechanism (he proposed a cross-border tax) for worker retraining. Otherwise Congress would write it into the implementing legislation.

Governor Bill Clinton, the Democratic presidential nominee who portrays himself as "an agent of change", supported Mr Gephardt's position, urging "a new course" in trade agreements, rejecting "the outdated rhetoric" of both free traders and protectionists.

Senator Max Baucus, chairman of the Senate trade subcommittee, called on the administration to slow the pace of the talks to ensure adequate environmental protections were included. Senator Lloyd Bentsen, influential chairman of the Senate finance committee, yesterday said any agreement "must be accompanied by a firm commitment to take appropriate steps to deal with worker retraining, environment protection and border infrastructure".

Mrs Carla Hills, US trade representative, defended the agreement but acknowledged "we'll have a heck of a sell" in explaining Nafta's merits to the US people at a time of high unemployment. But she strongly opposed as "bad economic policy" a cross-border tax. The trilateral talks restart in Washington today.

Progress had been made in cars and agriculture, she said, but "gaps" remained in both areas and in the investment, services and market access sectors. Mexico is reported to have withdrawn its insistence on continued protection for its car and car parts industries beyond 10 years. Mrs Hills said a final deal could come in the next 10 days. But getting a notification, including private sector reports, to Congress, would take some time.

ABB China deal grows

By Ian Rodger in Zurich

A CONTRACT won in April by a consortium led by ABB Asia Brown Boveri, the Swedish-Swiss power engineering group, to build the Shatiao C coal-fired power plant in Guangdong province of China has been extended to include an expansion from the originally planned 1,310MW

capacity to 1,860MW.

The value of the enlarged contract is to rise from an amount in excess of \$1bn (£500m) to over \$1.4bn, and the share of ABB's US subsidiary, ABB Combustion Engineering Systems, rises from \$270m to \$400m. When completed in 1996, the plant will be the biggest independent power station in Asia.

ADVERTISEMENT

Ricoh's ring of gold

The Barcelona Olympics have begun and Ricoh, a world leader in office technology, has completed the installation of the unique Olympic fax network that encircles the globe, ensuring that the Games' sporting achievements can be known worldwide — at the push of a button

"BEFORE I came to Barcelona, I didn't know what a sporting city was."

Thus wrote Baron Pierre de Coubertin, founder of the modern Olympic Movement, after visiting the Catalonian port city in 1928. And in the days since last Saturday's opening ceremony in the Montjuic stadium, when the archer's arrow soared through the night sky to light the Olympic Flame, the world has come to see what the Baron meant. Not only are the Barcelona Olympics the largest ever seen, with more than 10,000 competitors from 172 countries. They are the first of the post-Cold War world and they have been free of much of the political turmoil between East and West which marred previous Olympics.

Pasquel Maragall, Mayor of Barcelona, summed up the hopes of many when he expressed his wish that the Games should go down in history as "those which united in a new Europe all the countries of the world."

Swift communication is the key to this uniting of "all the countries of the world", and the modern fax machine, like television or the telephone, is one of the principal means of such communication. Which is why Ricoh, the international office automation giant, has put so much time, effort and resources into creating the world's first international Olympic network.

An invaluable link in communications

It was not always easy. Ricoh estimates that as many as 30 users saw a fax machine for the first time when the company installed their equipment. Several units were struck by lightning. The Gulf War interrupted installation in the Middle East for a time.

But the problems were overcome. In most cases the network has now been operating for many months and has proved invaluable in improving communications between the NOCs and the headquarters in Lausanne of the International Olympic Committee.

The network's effectiveness has been widely recognised. Said New Zealand's Tay Wilson: "In the Pacific region, where mail is very slow and erratic, this facsimile network has greatly improved our communications."

This view was echoed by Tonga's Dr Fred V. Sevele: "We are most grateful to Ricoh for this highly efficient and sophisticated machine... we simply cannot do without it."

From Africa Mr T.A.G. Sibole, President of the Zimbabwe Olympic Committee agreed: "It is invaluable. It more than meets our expectations." And Australia's Philip W. Colles spoke for many when he commented: "Facsimile machines are a very fast and efficient means of communication with a broadly-based and growing number of individuals and organisations."

Long after the Barcelona Olympics are over, the benefits of a worldwide fax network will still be being felt in every corner of the globe.

The network was very much the brainchild of His Excellency Juan Antonio Samaranch, President of the International Olympic Committee, who has had a "long held dream of



Covering the Games: the world relies on Ricoh to provide the most up-to-date fax network on the Olympic sporting triumphs

establishing an effective international information network among IOC member organisations.

Ricoh's Olympic sponsorship has been strongly backed throughout the organisation. Said Jürgen Paxmann, President of Ricoh Germany: "The Olympic Games always receive the highest attention in Germany. By sponsoring the 1992 Games, we create a connection between Ricoh and the world's most popular sports event", while Ricoh Spain's President welcomed the "opportunity for all members of the Ricoh Family to reach the first position in the world facsimile Olympiad."

The expertise of a global giant

Ricoh brings to the Olympics the expertise and technology of a global giant employing 47,000 people world wide. Established in Europe since 1963, Ricoh co-ordinates its European

operations from its headquarters, Ricoh Europe BV in Amstelveen, Holland. With seven sales subsidiaries and a financial subsidiary as well as factories in Britain's West Midlands and France's Alsace region, Ricoh now employs more than 2,400 throughout Europe.

Meanwhile, Ricoh is gaining valuable information about new markets, especially in eastern Europe, which will stand the company in good stead in years to come.

Combined with the enormous amounts Ricoh spends on research and development every year to retain a technological lead in its copier, fax and office automation market, Ricoh's experience in building the Olympic fax network will prove invaluable in reaching the company's long term goal, which Ricoh's President Hiroshi Hamada sums up thus:

"Quite simply, I would like to see our company at the top of the office automation and image processing industry and to be widely recognised as the leader in this field."

THE FIRST OLYMPIC FAX NETWORK

From Andorra to Argentina, Bulgaria to Bhutan, the Pacific's Cook Islands to the Central African Republic — the Olympic Family for the very first time is now linked by an international facsimile network.

The latest news of each country's medal results, each thrill of golden victory or anguish of defeat, is being sent instantly by fax as a result of a technological "first".

Created, developed and built by Ricoh, the network links the National Olympic Committees (four in number then at any previous Olympic Games) the 69 International Olympic Committee members and 33 International (sports) Federations. Almost three years of preparation, careful planning and hard work ended in success with the start of the Barcelona Games.

"Everything has gone smoothly and according to plan," said Peter van der Kaag of Ricoh Europe when the

RICOH

Official Olympic
Facsimile Network Sponsor



Olympic Facsimile Network was put to the test and went "live".

Besides the Ricoh fax machines dotted around the world in the offices of the NOCs there are more than 600 machines in Barcelona and at the other Olympic sites around Spain, including 28 in the Olympic village.

One of the greatest challenges facing Ricoh was to cope with the rapidly changing face of Eastern Europe and the former Soviet Union as the multitude of nationalities and

peoples of the former Soviet Empire faced up to the pressures and changes of the post-Cold War era.

The challenge was not only to respond to the demands of a growing number of independent states — Latvia, Lithuania and Estonia being only three — but also to the dilapidated state of much of the infrastructure of the former USSR — especially where the technology of telephone networks were some 30 years out of date. Since the efficiency of a fax owes much to the effectiveness of a telephone network this posed Ricoh a tough problem.

But the company responded with enthusiasm. Not only are the countries of the Unified Team linked into the Olympic network but countries such as Croatia and Slovenia, emerging from the structure of the former Yugoslavia, have also been securely linked to the Olympic Family.



Fired with success: an archer sends a flaming arrow to light the Olympic flame at the spectacular opening ceremony in Barcelona

RICOH'S TOUR DE FORCE

As the first gold medals of the Barcelona Olympics were being won on the first day of competitions last Sunday, another great sporting event was reaching its thrilling climax.

The audience watching the end of the 79th Tour de France, the world's cycling fraternity's top sporting event, may not have matched the billions watching the Olympic opening ceremony, but Spaniard Miguel Indurain's victory to win the coveted yellow jersey for the second year in succession was still eagerly watched on television by hundreds of millions of enthusiasts worldwide.

As the 130 survivors of a 198-strong starting list battled along Paris's historic Champs-Élysées towards the finishing post they were bringing to an end a competition during which the 22 competing teams had covered just under 4,000 kilometres.

For the sixth consecutive year the cyclists bore the name of Ricoh, a world leader in office automation, on their back numbers as they cycled through Spain, France, Belgium, Germany and Italy in weather which varied from sweltering sun to torrential rain amid terrain as diverse as the flat land of Northern France to the mountains of the French Alps.

As the official back-number sponsor of the 79th Tour de France, the Ricoh name has figured prominently on television shots from the very start of the race in Saint Sebastian, Spain.

Ricoh once again provided its photocopying expertise to the organisers of the Tour de France. By providing a Press Copy Service Centre throughout the period of the tour, Ricoh kept the 1,000-plus television and print journalists and photographers covering the Tour with completely up to date results of each stage and the overall rankings of the cyclists.

As with its support for the Olympic Games, Ricoh is determined to show through its involvement in the Tour de France its strong support for all international sport.

RICOH

Ricoh Europe B.V. Groenelaan 3, P.O. Box 114, 1180AC, Amstelveen, Holland (31) 20-547411 Ricoh Europe B.V. Belgium Branch Welvelaan 41, Gebouw A 1930 Zaventem, Belgium (32) 2-7209782 Ricoh Europe B.V. Düsseldorf Branch Hansa Allee 201, 4000 Düsseldorf 11, Germany (49) 211-52850 Ricoh Europe B.V. East Europe Representative Office General Centre House A, Marienhilfer Strasse 77-79, A-1080, Vienna, Austria (43) 222-5862595 Ricoh Deutschland GmbH Mergenthaler Allee 38-40, 6236 Eschborn, Germany (49) 6196-9080 Ricoh España S.A. Guifard 45, 08014 Barcelona, Spain (34) 3-4900960 Ricoh France S.A. 192, Avenue Charles de Gaulle, 92200 Neuilly-sur-Seine, Paris, France (33) 1-47454510 Ricoh Industrie France S.A. 144, Route de Rouffach, 68920 Wettolsheim, France (33) 99-415757 Ricoh Italia S.p.A. Via Ponchielli, 3, Cernusco Sul Naviglio (MI), Italy (39) 2-9230691 Magne Ore A.S. Fyrstikkalleen 1, Etterstad 0602, Oslo 6, Norway (47) 2-585080 Ricoh Office Systems Nederland B.V. Heliumweg 16, Postbus 868, 3800AW Amersfoort, Holland (31) 33-670811 Ricoh UK Ltd. Ricoh House, 1 Plane Tree Crescent, Feltham, Middlesex, TW13 7HG, UK (44) 81-7516611 Ricoh UK Products Ltd Priorstee, Telford, Shropshire TF2 9NS, UK (44) 952-290090

NEWS: UK

Factory output continues to slide

By Emma Tucker, Economics Staff

THE drop in UK manufacturing output during this recession could be as steep as the fall recorded a decade ago, according to the latest quarterly survey from the Confederation of British Industry (CBI).

The survey shows that manufacturers' orders and output continued to fall over the past four months, disappointing earlier expectations of a pick-up in demand.

Manufacturers, whose optimism about the economy has fallen sharply since April, expect output to continue declining over the next four months and for demand to remain flat.

Based on the results of the CBI survey, manufacturing output fell by 0.6 per cent in the second quarter of the year compared with the previous quarter, and is forecast to fall a further 0.9 per cent in the third quarter. This would bring the total drop in output from a peak in the fourth quarter of 1989, to 14 per cent. During the 1980/81 recession, government figures recorded the drop in output from peak to trough as 15 per cent.

Mr David Wigglesworth, chairman of the CBI's economic situation committee, said: "We don't know when the recession will end and this uncertainty is having a negative effect on all of us. The continuing cuts in investment bode very ill for the medium and longer term competitiveness of Britain's manufacturing industry."

The survey also highlighted the pressure on manufacturers to cut prices. Profit margins continued to be squeezed over the past four months as a greater number of companies cut factory-gate prices than those raising them.

Mr Wigglesworth said the survey's positive results were that inflation was still falling and companies do not plan to cut investment in training and product innovation.

Official figures for manufacturing output in June and July from the government's Central Statistical Office, have yet to be released. May showed a small month-on-month fall in output after a 0.3 per cent increase in the first quarter compared with 1991.

Lex, Page 14

Education set to undergo major reform

By Andrew Adonis

THE UK government yesterday unveiled sweeping reforms of the country's education system to send task forces into schools which fail to meet standards and take power over school budgets away from locally elected councillors.

Under the blueprint published by the government, elected local education authorities, which currently control most of the 25,000 schools nationwide, are set to wither away.

In their place will be a new government-appointed agency responsible for handing out Treasury funds to grant-maintained schools and taking over from local government the job of planning the future shape of the school system.

Mr John Patten, the education secretary, said the proposals were "radical, sensible and in tune with what parents want."

The policy document predicts that 4,000 schools, including a majority of secondary schools, will have opted out of the financial control of local education authorities within three years.

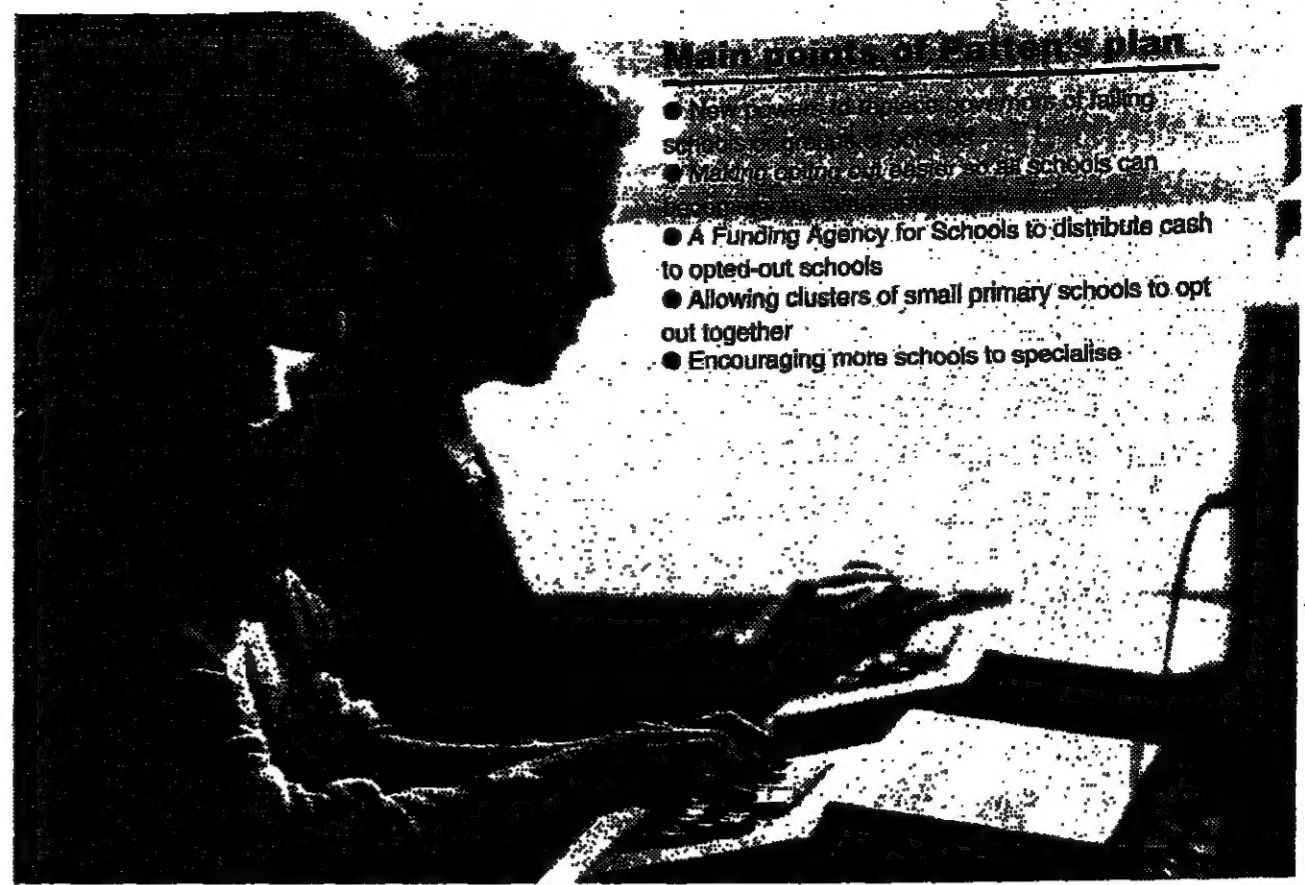
"Self-managing schools are the way for the future for primary as well as secondary schools," said Mr Patten. But

he sounded a note of caution to the Tory right, which favoured the outright abolition of local education authorities, stressing that ballots would continue to be needed for schools to opt out and calling for partnership between local authorities and the new structure in the long transitional period.

"We intend to create a stable system of education that sets international levels of excellence," the government says in the policy document. "Other leading nations have high standards and a high degree of specialisation. We can match and outstrip them."

The policy documents' most far-reaching proposals concern surplus places and sink schools. Mr Patten proposes that new task forces, called "Education Associations", be sent in to schools declared by the new inspectorate to be "at risk." They will have broad powers to restructure a school's staff and senior management.

The financial regime for grant-maintained schools, the crux of the new structure, will not be finalised until the autumn. It appears likely, however, that the large financial incentives for schools to opt out will be removed as the number of grant-maintained schools rises from its current



level of 350.

Mr Patten also proposes to take new powers to reduce the estimated 1.5m surplus places in schools in England and Wales. He will be empowered to direct local authorities and the new Funding Agency for Schools to prepare schemes to remove places, and will have the power to impose schemes of his own. These could lead to the closure of grant-maintained schools - despite the autonomy granted to them under

existing legislation.

The policy document was condemned by the opposition Labour party and the teaching unions. Ms Ann Taylor, Labour's education spokeswoman, said it was a "recipe for chaos and further upheaval in our schools. There are no new resources for our children's education."

Mr Peter Smith, general secretary of the AMMA teachers union, said the policy document "represents a muddled

policy which hints strongly that local accountability will be replaced by remote Whitehall-controlled quangos."

Local authority organisations responded bitterly to the proposals to wind down their education responsibilities. But privately some county council leaders expressed relief that the government had not determined on outright abolition of local education authorities, a decision which would have largely pre-empted the work of

the Local Government Commission in determining the future of the two-tier structure existing in most of England and Wales.

The grant-maintained schools centre welcomed the policy document as providing "stability of funding for grant-maintained schools whilst instituting a light bureaucratic touch."

Analysis, Page 12
Editorial Comment, Page 12

Barclays held fears on Maxwell

By Raymond Hughes, Law Courts Correspondent

BARCLAYS Bank began to reduce its exposure to the Maxwell group more than three months before Robert Maxwell's death because it had noticed "some alarming signals", a High Court judge in London said yesterday.

In July 1991 Maxwell Communication Corporation defaulted on a foreign exchange debt and in October 1991, the bank demanded repayment of \$30m due under an overdraft facility, said Mr Justice Hoffmann.

The money had been paid after Barclays threatened Mr Kevin Maxwell with a writ against MCC and withdrawal of future co-operation.

On November 24 1991 Mr Richard Pelly, Barclays's corporate finance director, wrote to him: "This letter will serve as a warning that the non-payment of the \$30m will result in a breach of the facility and Barclays will take whatever action is required to recover its money."

"We believe the co-operation of this bank will be important to you over the days and weeks to come, both on the private side and in discussions regarding the financing of MCC to which we will continue to provide significant facilities after the repayment of the \$30m. However we will not be inclined to 'standstill', thereby improving the position of other banks, if the \$30m remains outstanding."

Politicians make progress in Northern Ireland talks

By David Owen

TALKS ON Northern Ireland's political future adjourned for the summer on a positive note in Dublin yesterday with British and Irish ministers expressing optimism about their progress.

Commenting on the situation after a four-hour meeting between the two sides, Sir Patrick Mayhew, Northern Ireland secretary, said: "The great thing is that this process of talks is now continuing."

"It is hope that is at the top of our agenda - and hopes have been fulfilled," Sir Patrick added. The meeting marked the beginning of "strand three" of the complex talks process, which brings

together the British and Irish governments as well as leaders of political parties in Northern Ireland.

Referring to a recent shadow cast over the talks by the Reverend Ian Paisley, the hard-line Democratic Unionist leader, Mr David Andrews, Irish foreign minister, said that he had listened to Mr Paisley "more in sorrow than in anger."

Mr Paisley, a fiercely pro-British party leader, warned last week that the talks would fail if the Irish Republic did not agree to drop its territorial claims to the province.

An official statement on yesterday's meeting said that the two sides agreed an approach to arrangements for liaison on bilateral "strand three" issues

with the other participants in the talks.

Mr Michael Grade, chief executive of the Channel 4 television station, asked for Special Branch help because of fears for those making a programme on Ulster.

Staff of Box Productions that made Committee, which claimed to expose collusion between the Royal Ulster Constabulary and Loyalist death squads, were rebuffed because of the danger, Lord Williams QC said yesterday.

He was defending Channel 4 and Box in a contempt of court action under the Prevention of Terrorism Act for refusing to disclose the identity of the main source for the death squad allegations.

Surge in N-profits angers power users

By Juliet Sychrava

THE ROW over UK electricity prices was heightened yesterday when Nuclear Electric, the state-owned nuclear generator, announced a \$482m operating profit for the year to March 1992, 48 per cent up on the year before.

The news came as ICI, Britain's largest chemicals group, met Professor Stephen Littlechild, the electricity regulator, to complain about high electricity prices.

The increase in Nuclear Electric profits prompted ICI and

other users to repeat calls for the government to lift the £1.25bn subsidy - the so-called levy - which Nuclear Electric receives.

The levy, which involves an 11 per cent surcharge on electricity bills, has been criticised by large users. "We think the size and concept of the levy should be reconsidered in the light of the profitability of Nuclear Electric," said Mr Chris Hampson, director of ICI.

The size of the company's power bill is affecting its competitiveness in Europe, he said.

The Major Energy Users

Council (MEUC), a lobby group representing large electricity consumers, also called for a cut in the subsidy.

Offer, the electricity watchdog, said yesterday that the levy had always been designed to lapse in 1996. But the regulator, Prof Stephen Littlechild, is understood to be considering the possibility of lifting the levy before then.

Yesterday's results showed Nuclear Electric could not yet make a profit without a subsidy. Without the levy revenue, its turnover would have more than halved to £1.17bn, giving

an operating loss of £783m, rather than the \$482m profit reported yesterday.

That would have turned its final profit figure of \$62m, after provisions for waste disposal and redundancies, into a loss.

But Mr John Collier, Nuclear Electric's chairman, confirmed the company intended to be profitable without the levy by 1996. This is important because Nuclear Electric will have to demonstrate it is economically viable when the government reviews the future of the British nuclear power industry in 1994.

Fund managers face equity exposure

By Norma Cohen, Investments Correspondent

PENSION fund managers have increased their exposure to equities over the last five years, just as equities have been performing less well than gilts, according to a survey of the British fund management industry.

The 1992 Pension Fund Investment Manager survey by consulting actuaries Hymans Robertson said that in the five years to June 30, 1992, equities produced 6 per cent per year, markedly lower than UK government gilts, which produced 9.5 per cent annually over that period.

The average UK fund had increased equities weightings to 60 per cent of holdings from 55 per cent at the end of 1986. Furthermore, the investment category

which has seen the greatest inflow of funds has been that of overseas equities which have produced negative annual returns of 0.3 per cent.

The 1992 survey was based on findings by 98 managers with more than £180bn of segregated pension money under management and more than 2500bn of total funds under management.

The total UK pension fund market is estimated at roughly £300bn.

Mr George Henshillwood, partner and consulting actuary at Hymans Robertson said: "It may be that UK fund managers cannot pick overseas equities as well as they can pick domestic ones."

While poor returns in Japanese equities could well be explained by overall market conditions, UK fund managers had consistently underperformed key US indices

with their stock selection in that market, he said.

Significantly, the 1992 survey also revealed a sharp increase in fee scales for balanced funds of roughly 15 per cent, on average. The fee increases have come despite rising competition for fund management mandates.

The survey found that the five largest pension fund managers are unchanged from the previous year, although there have been significant shifts in their respective market share.

The five fund managers are Mercury Asset Management (19 per cent market share), Phillips and Drew Fund Managers (11 per cent), Schroder (9 per cent), BZW Investment Management (5 per cent) and Robert Fleming Asset Management (5 per cent).

Britain in brief



Union attacks European pay forums

Strong preference for traditional UK collective bargaining against the continental European system of works councils has been expressed by the GPMU print union in a motion for this year's annual conference of Britain's Trades Union Congress (TUC).

The GPMU motion also speaks out against European level negotiations between the European TUC and UNICE, the European employers' body, saying that if European collective bargaining is developed it should be done at sectoral level.

The motion challenges the increasingly Europhile consensus of several larger unions, such as the GMB general union, and of the TUC itself.

Names angry at report delay

Lloyd's Names have reacted angrily to news of a further delay in the publication of a report into multi-million pound losses by the Feltrim syndicates.

Sir Patrick Neill, who has been investigating the losses of two syndicates formerly managed by the Feltrim agency for over a year, had been expected to present his conclusions to the council, the Lloyd's governing body next week.

However, Mr David Colebridge, Lloyd's chairman, indicated on Monday that Sir Patrick's report will not be available under September. "I was appalled to learn of the delay," said Mr Colin Hook, chairman of the Feltrim Names Association. Possible legal action by Names to recover losses has been held up pending publication of the report.

New post for Kinnock fixer

Mr Charles Clarke, the chief of staff and leading "fixer" to former Labour leader Mr Neil Kinnock for nearly 10 years, is

taking up a senior advisory post at the Trades Union Congress.

The appointment has removed speculation that Mr Norman Willis, the TUC general secretary, will announce his premature departure at this year's TUC Congress.

TUC officials have pointed out that Mr Clarke will be working for Mr John Monks, Mr Willis's able deputy, who is now effectively running the organisation.

Dutch group to close plant

Akzo, the Dutch chemicals group, is to shut the Macpherson paint factory in Bury, Greater Manchester, with the loss of 390 jobs. Another 110 jobs are also to go in a national reorganisation of Akzo Coatings operations in Britain.

The move signals a clearing of the decks in both decorative and industrial paint markets for when the recession ends. Akzo vies with Crown and Kalon for second place to ICI in the UK, where it competes with its Sandtex, Permoplate, Sikken, Macpherson and Valspar brands.

Production will be transferred to Akzo's factory in Hull, starting next year, with completion in 1994.

NVQs to get higher profile

The government must do more to raise the profile of National Vocational Qualifications (NVQs), the new national system of assessment based on workplace competence, according to Mrs Gillian Shephard, the employment secretary.

NVQs, intended to give employers quality assured and cost effective ways of meeting their skill needs, are being developed in a bid to end the under-use and under-valuing of vocational qualifications in the UK.

Mrs Shephard said she was dissatisfied with current awareness of NVQs and pledged government action.

Directors jailed for fraud

Two directors of a computer company have been jailed for what a judge at Southwark Crown Court described as "frauds on a massive scale" against finance houses.

Mr Terence Harvey and Mr



High scorer: England striker Alan Shearer this week became Britain's most expensive soccer player in a £3.5m transfer from Southampton to Blackburn Rovers. The Lancashire team has spent more than £10m on new players ahead of the new season targeting England midfielder Geoff Thomas. If a deal is struck with London team Crystal Palace, Thomas's club, it would take Blackburn's spending this week to £5m. Palace have turned down a £2.5m bid for Thomas from London rivals Arsenal.

John King, directors of Computer Investment Leasing, were sentenced to 18 months and 12 months respectively and disqualified from being company directors for two years after pleading guilty to obtaining property by deception.

Judge Watts said that well over £1m had been extracted from finance houses, more than £700,000 of which had been totally lost.

Tourist board fails after debts

Liquidators have been appointed to the Thames and Chilterns Tourist Board, one of 12 regional tourist boards in England, because of mounting debts. It is the first tourist board to fail.

Mr Michael O'Dwyer, the board's chairman, said that a combination of factors had caused the collapse, including a "substantial" write-off of assets, the writing off of

Executive faces theft charges

Dr Gerald Smith, former chief executive of Farr - the failed west country construction company - has been committed for trial at Southwark Crown Court in London, charged with stealing cash and securities worth more than £1.2m from the Farr group pension fund.

Dr Smith was remanded on bail of £100,000. He faces 14 charges of theft between September 11, 1989 and February 23 1990. Among the charges are the alleged theft of shares in British Airports Authority, Barclays Bank, J. Sainsbury, Ladbroke Group and Hanson belonging to the pension fund. He is also accused of stealing a cheque for almost £1m owed to the fund.

WREMARKABLE WREXHAM

It's the only way to describe the opportunities for business in Wrexham. That's why famous international companies as diverse as Brother, Kellogg, Sharp, Fisons, Laura Ashley, Hazelwood Foods, European Fine Blanking Ltd., and Lego have found Wrexham a remarkable location.

Wrexham is remarkable in many ways - excellent geographical; superb range of sites; a willing and flexible workforce; maximum financial support for large and small businesses; and there's remarkably attractive countryside too.

Contact us today to find why you should consider Wrexham. We'll take the strain and make your relocation a remarkably smooth move.

Ask for Bob Dutton, Des Jones or Joyce Spaven on 0978 292010 or fax us on 0978 290091 - or simply return the coupon.

I'd like to know more about remarkable Wrexham. Please send me your Industrial Fact Pack.

NAME _____

POSITION _____

COMPANY _____

ADDRESS _____

TELEPHONE _____

Return to: CHIEF EXECUTIVE OFFICER
THE GUILDHALL, WREXHAM LL11 1AY

WREXHAM
THE WREMARKABLE
DEVELOPMENT AREA

Appointments Advertising

appears every
Wednesday & Thursday
Friday
(in the international edition only)

Which FINANCIAL TIMES NEWSLETTER should YOU be reading?

Designed for the specialist who must have accurate, well-researched information, Financial Times Newsletters will give you that essential competitive edge.

Each newsletter is edited by an acknowledged expert who has unique access to the best sources, including the FT Group's international network. This exclusive information enables Financial Times Newsletters to be first to cover the crucial issues.

Our editorial team works to exacting standards, supplying subscribers with concise, authoritative analysis, comment and interpretation.

To obtain that essential competitive edge, which Financial Times Newsletter should you be reading?

Find out now by receiving up to **FOUR FREE** sample copies.



EASTERN EUROPE

East European Business Law
East European Energy Report
East European Insurance Report
East European Markets
Finance East Europe

ENERGY

Coal UK
East European Energy Report
EC Energy Monthly
Energy Economist
European Energy Report
International Coal Report
International Gas Report
North Sea Letter
IEA Oil Market Report
Power in Asia
Power in Europe
Rig Market Forecast

FINANCE

Credit Ratings International
East European Markets
Finance East Europe
Financial Regulation Report
International Trade Finance
World Accounting Report
World Tax Report

FREIGHT MANAGEMENT

European Freight Management

INSURANCE

East European Insurance Report
World Insurance Report
World Policy Guide

INTERNATIONAL MARKETS

German Brief

LAW

Business Law Brief
East European Business Law

MEDIA

Media Monitor
New Media Markets
Screen Finance
Satellite TV Finance

NEW TECHNOLOGY

Electronic Office

PHARMACEUTICALS

Biotechnology Business News
Pharmaceutical Business News

TELECOMMUNICATIONS

Mobile Communications
Telecom Markets

For a FREE sample copy of up to FOUR of the above newsletters contact:



LONDON: MAX PERCY + 44-(0)71-240-9391 OR FAX + 44-(0)71-240-7946

NEW YORK: ANGELA ZIEJA + 1-212-888-3469 OR FAX + 1-201-729-9598

TOKYO: NAOTO YOSHIDA + 81-(03)-3295-3461 OR FAX + 81-(03)-3293-5963

FINANCIAL TIMES

LONDON PARIS FRANKFURT NEW YORK TOKYO

NEWSLETTERS

F.T. BUSINESS ENTERPRISES LTD
REGISTERED OFFICE: NUMBER ONE,
SOUTHWARK BRIDGE,
LONDON SE1 9HL, ENGLAND
REGISTERED IN ENGLAND No. 980896

Data Protection Act: The Information you provide will be held by us and may be used to keep you informed of FT products and used by other selected quality companies for mailing list purposes.

Or simply attach your business card, indicate those titles of interest and return to the address below.

Send me a sample copy of:

1 _____
2 _____
3 _____
4 _____

☐ Please send me a free 1992 Newsletter Catalogue (tick box)

COMPLETE IN BLOCK CAPITALS OR ATTACH YOUR BUSINESS CARD

Name _____
Job Title _____
Company _____
Address _____
Postcode _____ Country _____
Telephone _____ Fax _____

Return this form to: Max Percy, Financial Times Newsletters, Tower House, Southampton Street, London WC2E 7HA, England.
1/998

THE BARCELONA OLYMPICS

OLYMPIC NEWS IN BRIEF

Competitors battle 41° temperatures



Sun-battered Olympic athletes appealed for more bottled water to combat dehydration as the heatwave continued. Most competitors have yet to see a cloud over the Catalan city since their arrival.

Spectators at the claycourt tennis stadium said the court-side thermometer showed 41 degrees in early afternoon.

A French bottled water company said it had shipped 100 extra cases of water to the US basketball team and 75 to the US volleyballers.

Humidity adds to the problem: rooms in the athletes' village do not have air conditioning. Croat tennis player Goran Ivanisevic said it was like living in a sauna in his room and many athletes complain they cannot get to sleep until it cools down in the early hours of the morning.

Pollution is increasing. From the hillside diving pool it is now hard to pick out the famous Sagrada Familia cathedral only 2.5km away because of smog.

Temperatures are expected to fall gradually in the next few days.

Becker wins in five sets

Three-times Wimbledon champion Boris Becker edged past little-known Norwegian Christian Ruud in a five-set marathon which took nearly five hours.

The German claimed he was still glad he had come to Barcelona, despite the intense midday heat which appears to have escaped the tennis schedulers' notice.

Double gold for Hungarian

Hungary's Kristina Egervari became the first individual double gold medalist at the Games with an Olympic record, adding the top medal in the 100m backstroke to her triumph in the 400m individual medley.

Alexandre Popov of the Unified Team won the men's 100m freestyle.

Spain's Martin Lopez-Zubero won the men's 200m backstroke and, like Egervari, set an Olympic record.

The American women's relay quartet won in 3 minutes, 39.46 seconds, breaking the world record of 3:40.57 set by East Germany in 1986.

Unified lead in pentathlon

Eduard Zenovka of the Unified Team moved into first place in the modern pentathlon after the cross-country running, the fourth of five disciplines.

Zenovka was third in the 4,000m in sweltering heat. Manuel Barroes of Portugal won the event.

The Unified Team led the team competition with 13,168 points. Poland was second with 12,996, Hungary third (12,981) and France fourth (12,758).

Fourth gold for China

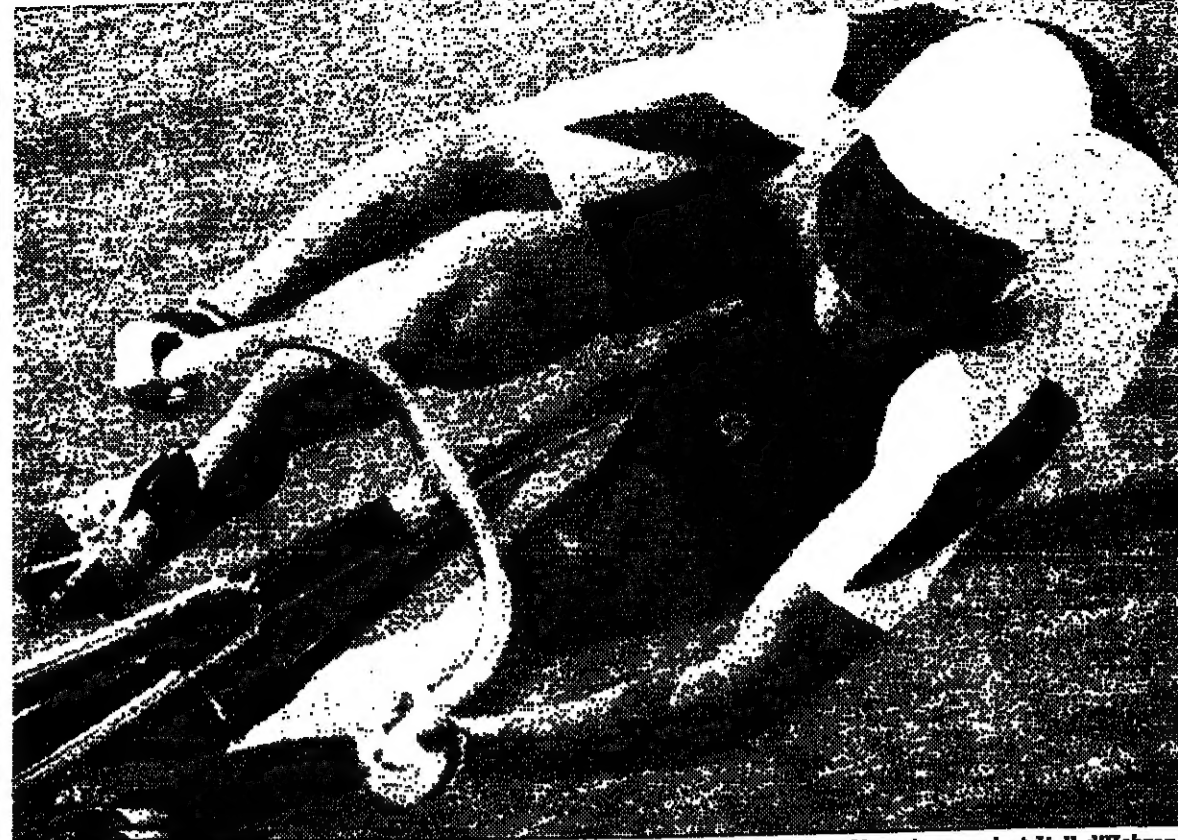
Wang Yifu won China's fourth gold medal of the Summer Games with a record win in the men's air pistol.

Wang set an Olympic record of 884.8 points giving China an 11-10 lead over the US in the medal count at that point.

Sergei Pijjanov of the Unified Team took the silver medal, and Sorin Babit of Romania the bronze.



US volleyball players (left) sport shaven heads in protest at reversal of a win over Japan. Right: world champion Jens Fiedler of Germany speeds to a 200m sprint Olympic record at Vall d'Hebron



The compleat guide to drug abuse

Nicholas Woodworth on the insidious spread of new-generation performance enhancers

LIKE other journalists sitting around the breakfast table each morning at the Barcelona Press village, I keep my ears open for the subject that turned the Seoul Games on their head four years ago - drug disqualification. So far things have been very quiet.

Canada's Ben Johnson is keeping his head low. It is one of the great ironies of these Games that while Johnson will once again be running in the 100 metres, his great rival, Carl Lewis of the US, is for the moment only a reserve member for the US 100m relay team, though he is in the long jump.

There was a sprinkling of drug disqualifications before the Games began. Canadian sprinter Cheryl Thibodeau was banned for life for failing a steroid test in June. Nigeria has withdrawn six athletes, including women's long jump and 100m medal hopefuls. Six South Koreans were also with-

drawn for failing tests. Here in Barcelona, there were minor rumblings on Sunday when US 100m freestyle silver medalist Jenny Thompson complained that the bulky, well-muscled winner of the event, China's Yong Zhuang, had not been tested afterwards.

None the less, among Olympic veterans in Barcelona there is consensus that performance-enhancing drugs continue to play a significant role in Olympic sport. Some who have attended half-a-dozen Games have run out of enthusiasm. It is not because they have lost their love of sport. On the contrary, it is because they no longer know which sporting achievements are real and which are not. Some even question the value of attending the next Games in Atlanta in 1996.

On the other hand, I might make it to Atlanta. Not as a meek and mild reporter, but as a record-smashing, medal-grabbing Olympian.

I am overweight. I smoke. I drink. My arms are like pins, my thighs are jelly. I am 38. None of this, however, worries me in the slightest, for I have managed to get hold of a copy of the *Underground Steroid Handbook - Update 1992*, which promises me I could get away with a trip to Atlanta. Such is the world of performance-enhancing drugs these days that I can believe it.

The handbook is written by one Daniel Duchaine, an inhabitant of Los Angeles. Duchaine has been in the cheating business a long time. His first underground steroid handbook, published in 1981 and sold perfectly legally, proved highly popular: 40,000 copies went like hot-cakes.

My own edition is a special commemorative one; it was written by Duchaine after release from prison on anabolic steroids charge and published this year, presumably to coincide with these Olympics.

Times are changing fast. Anabolic steroids - previously the athlete's drug of choice - have not only become illegal. They are becoming obsolete. In the last few years a new generation of performance-enhancing drugs has evolved, and Duchaine sees it as his duty to guide a new generation of athletes towards them.

"We now can't rely on stagnant, decades-old technology," he writes, and sees steroid legality as something of a boon. "We will now be legally and ethically forced to look for truly effective steroid alternatives...It's my job to help athletes...I believe in ten years' time we'll see athletes...bigger, faster, stronger, and (at last) socially acceptable."

If you can stomach Duchaine's morality, the modest price of \$19.95 will buy you all the information you ever wanted on performance-enhancing drugs, old and new. The handbook is a detailed step-by-step guide on how to become a

successful drug-enhanced athlete. As a publication of Britain's Sports Council magnificently understates the case, this "puts the medical profession and coaches in a most difficult position."

It does not put athletes in a difficult position, for the handbook bends over backwards to let them know exactly what they can get away with and how to do it. One chapter, for example, lets American readers know how to get around US Food and Drug Administration laws and import banned substances "legally" through various deceptions. If all else fails, there is advice on smuggling.

A much bigger problem, it seems, is simply getting hold of the real thing. Banned sports drugs have become so sought-after that a multi-million dollar industry of counterfeit drugs has sprung up - about 90 per cent of all black market steroids, for instance, are fakes. Is your injectable Stanozolol cloudy? In fact, the suspended

particles in real Stanozolol have an iridescent sheen. Hundreds of drug scams are being perpetrated.

There are also untold ways of beating a drug test. You can insert a catheter tube into your urinary tract and fill your bladder with someone else's urine. You can use testosterone and, because it exists naturally in the body, get away with it with careful calculation. Or you could try Probenecid, a masking agent that hides drug traces in urine. Like many athletes, you could stop steroid use at a specific time prior to a competition drug test so no traces remain.

Or, like Daniel Duchaine, you could use a blocker that jams the tubules of the kidneys for a few hours so that banned substances do not get into the urine. "This blocker works on many steroids, all amphetamines, narcotics, uppers, downers, you name it: this stuff blocks it," he crows. "It always works. So far it has not been

banned, as it has not been detected. If they ban it, I'll just find something else. I like drug testing: it's a challenge. It advances the state of the art of performance enhancement."

What about the newest of up-and-coming non-steroid performance enhancers? Drugs wizards such as Duchaine are not at a loss. Personally, he favours anti-catabolics: synthetic anabolises such as Cytadren that prevent adrenal hormones from arresting protein synthesis in muscles. It adds to muscle size and strength, and - some predict - is the drug of the future.

Alternately there is Clenbuterol, which magically burns off body fat and promotes rapid muscle development, exercise or no exercise. Unfortunately, there is no magic in the work of men such as Duchaine. He is real. His book is real. The drugs he promotes are real. And they are a worry to everyone concerned about the future of high-level sport.

I spoke to David Cowan, director of London's Drug Control Centre. His greatest worry is not banned drugs for which tests exist, but the large grey area of new sports drugs for which no international legal consensus on tests exist.

Red blood cell-producing EPO, testosterone-stimulating HCG, aggression-developing DHT, growth promoting HGH - all are banned, all are detectable, but so far, despite growing concern over their use, the International Olympic Committee has failed to take crucial decisions on testing procedures.

Dr Cowan estimates that currently only about 10 per cent of drug testing is random, out-of-competition testing. Most authorities agree that such testing is the only way that the growth of Olympic performance-enhancing drugs can be controlled. Until this happens, Daniel Duchaine's athletes will continue to become bigger, stronger and faster.



Ben Johnson (left foreground) at the finish of the Seoul 100m final. He was disqualified for drug abuse, then banned. But he is running in Barcelona

Board-sailing for gold Penny's way

PENNY WAY suffers from acute tennis elbow. The only thing about it is that Penny Way is one of the world's top board-sailors, not a serve, volley and strawberries person at all.

"It's an over-use injury. As the sport becomes more intense and you spend longer on the water training and racing, these things are going to happen to sailors," said Rob Andrews, national racing coach to Britain's yachtsmen and also married to Penny Way.

Since the image of sailboards is one of sun, sand and sea, the notion of gaining an injury on one through sheer repetitive hard work seems a bit unlikely.

Penny Way would tell it differently. For the last three years there has seldom been a day where she has not sailed - competing or training - somewhere in the world.

Her consistent ranking at world No 1 led to her being pre-selected for the British team ahead of any other athlete in any discipline. On the start line, other women sailors were automatically working out who was going to come second.

Way first became world champion in 1988 and four years later won the Olympic class world championship in Argentina. That title came her way again last year. She has won over 300 titles in virtually every country where a board has been known to float.

It was only two years ago that the International Yacht Racing Union announced that there would be a board-sailing class for women. Previously there was one class for both sexes, which left women at too great a weight disadvantage if the wind blew up at all.

Way knew instantly that her years of dedication were going to be focused on this one event

at Barcelona. Last year went well but since the winter months, Way has begun to look a little vulnerable.

The tennis elbow needed minor surgery to remove local scar tissue; then a virus infection hampered her performance in the world championship in Singapore early this year. Her world ranking has recently dropped to sixth, with French sisters Maud and Anne Herbert looking strong ahead of Way in the rankings.

However, sitting on the harbour wall at Barcelona's splendid Port Olimpic, she seems calm and confident. "For me this year the world ranking list is not important. Only the Olympics counts," Penny Way is 6ft tall but lightly built, with the sailor's tan that comes from year-round travel.

Four years ago her build counted her out of the Seoul Olympics. With just one board-sailing contest for both sexes, Penny Way beat all male rivals for a place at the Games but was forced to withdraw when sail harnesses were disallowed.

Without that extra leverage a woman weighing, say, 18kg less than her male opponents could not have held a board upright in the strong winds off South Korea.

It was a disappointment that turned her resolve to steel. Yet each location has its own special problems. Barcelona, ironically, has such light breezes that some of the male board-sailors, such as Barrie Edgington, have been fasting to bring their weight down to the class minimum. Keeping the board moving is expected to be more of a problem than keeping it upright in the likely winds of under 10 knots.

But the real demon of Port Olimpic is a course that starts and finishes within 100 metres of the massive harbour wall. Even in average winds, this creates a unique 1 metre-high wave, a chop in which vital starting and finishing manoeuvres have to be made.

During acclimatisation sailing in June, the board sailors likened it to performing a ballet on a bucking narrow beam. The reason for the daunting

lay-out is that television wants to be able to cover the board-sailing, with the starts and finishes held closer to the cameras than some of the track and field events. The harbour wall will also accommodate up to 11,000 spectators, plus hundreds of athletes watching from balconies at the adjacent Olympic village.

A total of 10 races are held for the board-sailors with one discard permitted. There is a gruelling schedule of two contests a day for the first four days, which will involve over 20 miles of racing. The final race is on Sunday. The first day's racing was postponed due to lack of wind.

Way is using a special carbohydrate replacement product to help keep energy levels up while out on the water in temperatures that have consistently been over 30C.

Dehydration is also a real worry. Normally at international board events, coach boats are allowed on to the course to provide water. At the Olympics they are not.

Barcelona sounds tough, but compared with most of what Way has already experienced on her route to the Olympics - sharks under the board in Florida, a mugging in Brazil - she ought to be able to handle it.

"I don't want to turn round after 1992 and have any regrets," she told me. "Whatever the result it's essential that I know afterwards that I gave it everything I had."

W-I-CARR (Far East) Limited

Banque Indosuez Group



EMERGING MARKETS

In line with W.I. Carr (Far East) Limited's expanding coverage of emerging market funds, equities and derivatives, we will now be quoting prices in the following funds.

SIAM FUND
THAI EURO FUND
THAI INTERNATIONAL FUND
MALAYSIAN EMERGING COMPANIES FUND & WARRANTS
MALAYSIA EQUITY FUND & WARRANTS
MALAYSIA SELECT FUND & WARRANTS
MALACCA FUND
SINGAPORE SESDAQ FUND & WARRANTS
SOUTH EAST ASIAN WARRANT FUND & WARRANTS
SHANGHAI FUND
HIMALAYAN FUND
MANILA FUND
SCOTTISH ASIAN FUND & WARRANTS
SHK INDONESIA FUND & WARRANTS
FIVE ARROWS CHILE FUND
GT CHILE GROWTH FUND & WARRANTS
GENESIS CHILE FUND & WARRANTS

See Reuters CARP/Q/R/Z.

Contact: **Jeremy Eakin** - Sales & Trading
Frederick Cremer - Sales Director
Michael Gill - Research
Far East Desk

Tel: 071 378 7050/6531 (Direct)
Stx: 73630/677

This advertisement has been approved by Carr Kitch & Aitken Limited a member of The SFA.

MANAGEMENT

Paul Cheeseright explains why business is taking more than a passing interest in education

Back to school for companies

The telephone call came out of the blue for John Wells, works engineer at William Blythe, the Lancashire chemical company. It was Hapton Primary School, asking whether his company could help with a history project.

That casual call five years ago has taken Wells deep into the education system. He has built up contacts with other schools, helped establish a formal partnership between the business community and local schools, become involved in the local training and enterprise council, has drawn the Chemical Industry Association into contact with primary schools.

It was no simple act of charity. Wells goes so far as to claim that links with education will "enable us to carry on as an industry". Chemical companies, he reckons, have to have friends, and must keep an eye on the environmental issues surrounding their business.

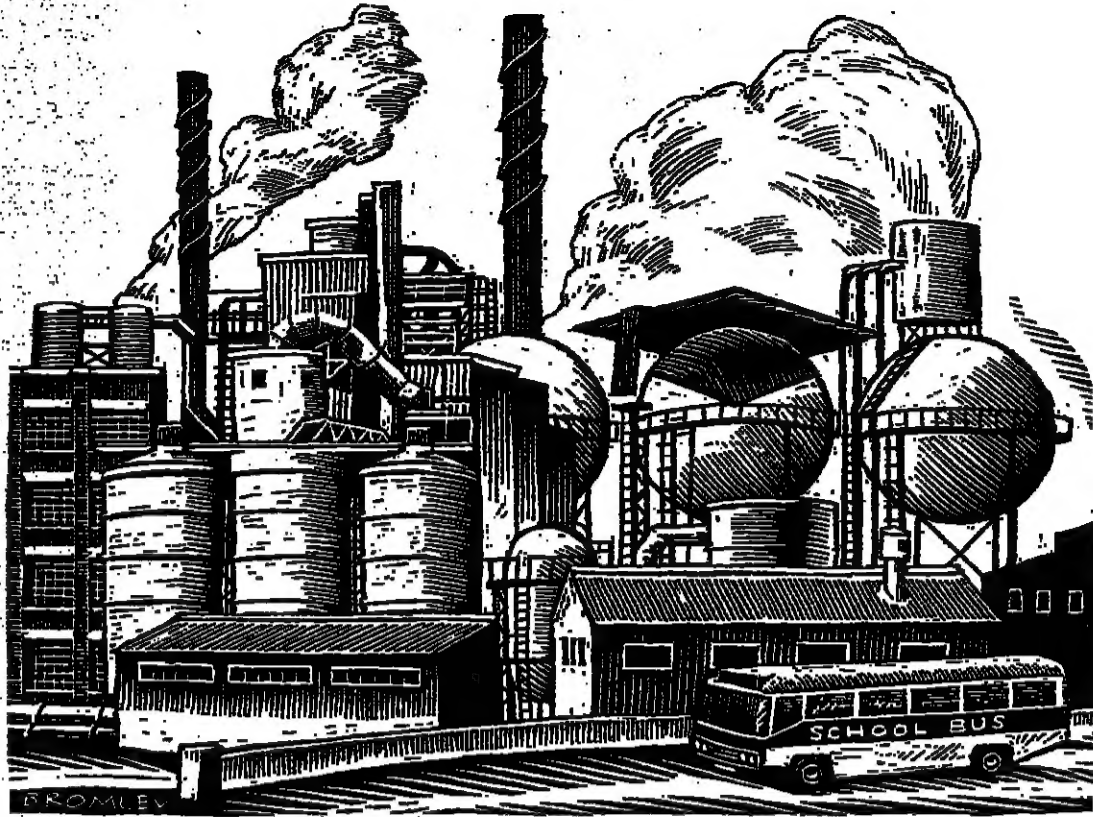
Wells and others like him on both sides of the Atlantic are twisting back to front the old maxim, "Before a company can do good, it must do well". What once was deemed philanthropy is gradually becoming an integral part of business. Hesitantly, companies are becoming involved in education. They feel forced to act by the twin pressures of heightened demand for technological skills and the perception that the education system is faltering. They are conscious that their case for commercial freedom goes by default if they do not articulate it. To do well a company needs to do good.

Coping effectively with resource needs and tensions introduced by technological and educational change... will require partnership between education, business, government and the wider community", wrote Michael Heron, director of Unilever, the Anglo-Dutch household products and foods group.

However, the immediate motives of companies are varied. This became clear at a recent conference, organised in Birmingham by the Warwick University centre for education and industry and the School Curriculum Industry Partnership, two of the many organisations seeking to link the worlds of business and education.

In the US, said Chris Marsden, British Petroleum's head of educational affairs, "the emphasis is on combating inner city deprivation and on school improvement programmes".

Indeed, according to David Goodman, vice-president corporate affairs at Clorox, the Oakland chemical group, "US companies spend \$40bn on remedial programmes for employees" - money which is siphoned off from other investments.



The emphasis in continental Europe is different. It is "on initial vocational education and transition between education and work", Marsden suggested. More particularly, in Sweden, observed Bjorn Grunewald, director of the Federation of Swedish Industry, the approach is altruistic and practical: "Companies which are active get recruits more easily - and they find it cheaper to recruit."

The focus in the UK, Australia and New Zealand, said Marsden, "has been on reversing an anti-industry culture and introducing more vocational relevance to the school curriculum".

Oddly, though, UK schools may well be more active in this than UK companies: it is estimated that

while 90 per cent of the schools have established links with industry, just 10 per cent of companies are involved with a school.

To be effective, a company's education initiatives must come from the top. Thus large companies such as BP, Rover, the cars group, Whitbread, the brewer, and Kingfisher, the retailing group, all have carefully drawn up and publicised policy statements which set out what they want to achieve. Indeed, Kingfisher, for example, recruited Ms Carol Kay, the former headmistress of Haberdashers Askes Girls' School in south-east London, to draw up a policy and clarify the group's activities.

The policies cover myriad activities. Ms Angie Rodriguez-Diaz, program manager of the Digital Equipment Corporation, the computer group, has an office in a school at Chelsea, Massachusetts. Here DEC volunteers help with teaching English to ethnic minority youngsters or adopt a pupil, in a scheme called mentoring, to create an individual relationship which can act as a partial substitute for the absence of family support.

Clorox, working with the local chamber of commerce, carried out a survey of the library needs of the 100 schools in Oakland, California, and then devised a programme which meant that each school could refurbish its library at a cost of \$6,000.

In the UK, support for schools has tended to take a different form. The aim generally has been to support and embellish the national curriculum rather than to prop up the school system as such.

Thus, Rover has centres at its plants where school pupils can come with their teachers to work on projects which contribute to their classroom work on the curriculum. And the British paper industry, with the School Curriculum Industry Partnership, has devised material for classroom use that adds an industrial dimension to the syllabus.

At the same time, increasing emphasis is laid on work experience - giving students a taste of industrial training and commercial life. Sometimes work experience and training become part of formal contracts, called compacts, between employers and educational institutions.

North-west London is an example where a compact started with five schools and supported by around 80 companies as diverse as Boots, the chemist, Midland Bank, Bovis Construction and United Biscuits.

What is in it for the companies? For BP, acknowledged Marsden, it is "the licence to operate", calling up the example of a chemical plant in a west Glamorgan housing estate, where there is "a level of community understanding" about the activities of the plant. "Links to the school fed back to the community," he said.

There can also be direct commercial benefits. Ms Rodriguez-Diaz noted that DEC's activities in Chelsea were started as a pilot scheme. Now, she added, "we think we have a model which we could package and sell".

She also believed that the DEC employees who took part would emerge as better managers. That is, if the DEC employees can succeed in bringing skills back into the workforce, they can manage better within the corporation.

"Our direct payback," said Goodman, "takes the form of making our own employees feel closer to the company." This is achieved by the company supporting financially the organisations to which Clorox employees give their time - in other words, everybody is in this together. Employees who feel good about their company are better employees, Goodman observed.

Wells believed, too, that activity in the community helped managers develop. "It helps me to understand the young people we might employ."

At the same time it keeps him in touch with the turmoil in the British education and training system - the complexities of national vocational qualifications, for example.

Dr Michael McGannon warns holidaymakers about seeking a place in the sun

Cool it and save your skin



If your definition of a proper holiday includes sunbathing, complete with sandy sheets and blisters, you should think again to save your skin.

Without an intact healthy epidermis your hours would be numbered. Whether in the Mediterranean or in the back garden in Wimbledon, you should confine the roasted meat to the barbecue.

Your skin comprises three layers: the epidermis (the outermost waterproofing which prevents fluid loss and toxin entry), the dermis (a mixture of nerve cells, tissue, glands and blood and lymph channels), and the subcutaneous tissue (which cushions the outer layers from the underlying bone and muscle).

It is the body's largest organ, and is a breathing first-line defence against infection. Any rupture attracts a ferocious immunologic response. If the invader penetrates beyond the skin, the battle is half over. It also helps cool the body by dilating the vessels to cool the surface blood and by excreting sweat. When exposed to mild radiation, it can produce the precursor to Vitamin D, which helps the body absorb calcium.

There are two types of ultraviolet (UV) rays; the first, UV-A, the alleged "safe" UV, can pass through eyelids, and penetrates into the dermal layer, hair follicles and underlying subcutaneous tissue, causing ageing of these tissues (wrinkles, freckles, ageing spots). The tan obtained this way will not protect you from the burning effects of the sun.

The other ultraviolet rays, UV-B, penetrate the layers of the epidermis and upper dermis, stimulating the production of a hard protective substance, keratin, which thickens the skin. These are the rays believed to cause cancer and burning. You can take advantage of the

sun this summer by knowing when the sun's UV rays will be most intense and protecting yourself and your children accordingly.

Because UV rays are filtered by the atmosphere, their strength depends on the location and the time of day. Your skin will absorb less intense UV rays in the morning and in the evening (more atmospheric gases to pass through), and in the winter. According to Dr John Reeves, professor of dermatology at San Francisco School of Medicine, about 65 per cent of burning rays strike the ground during the four hours around noon.

The rays also intensify with altitude: for every 330 metres, there is a 5 per cent increase, and snow can reflect up to 100 per cent more (sand and water reflect up to 20 per cent more UV).

As for your children, watch them carefully. Dr Reeves believes 75 per cent of lifetime sun exposure occurs before the age of 23.

Sunscreen is *de rigueur* on beaches and boats this summer, as are hats. UV protective eyeglasses, and clothing. But which Sun Protective Factor (SPF)?

SPF2 will protect against about 50 per cent UV-B. SPF4 against 75 per cent and SPF15 against 94 per cent. All sunscreens protect primarily against UV-B, so that the rays causing premature ageing, UV-A, are unimpeded.

The sunscreen manufacturers are researching some effective UV-A blockers. The UV Warning Badge - one of the most promising recent innovations - is applied to the skin and changes colour to warn that it is time to cover up.

Once the skin is red and painful it comes down to damage control. Cool compresses and aspirin might help a little; better still, learn to enjoy the sun without getting cooked.

The author is the medical director of the Inland Business Health course.

First we transport sewage. Then we transform it.

While being a leading manufacturer of pipes, pumps and agricultural machinery, Kubota has always been involved in environmental issues, especially those regarding the reduction and conversion of garbage,

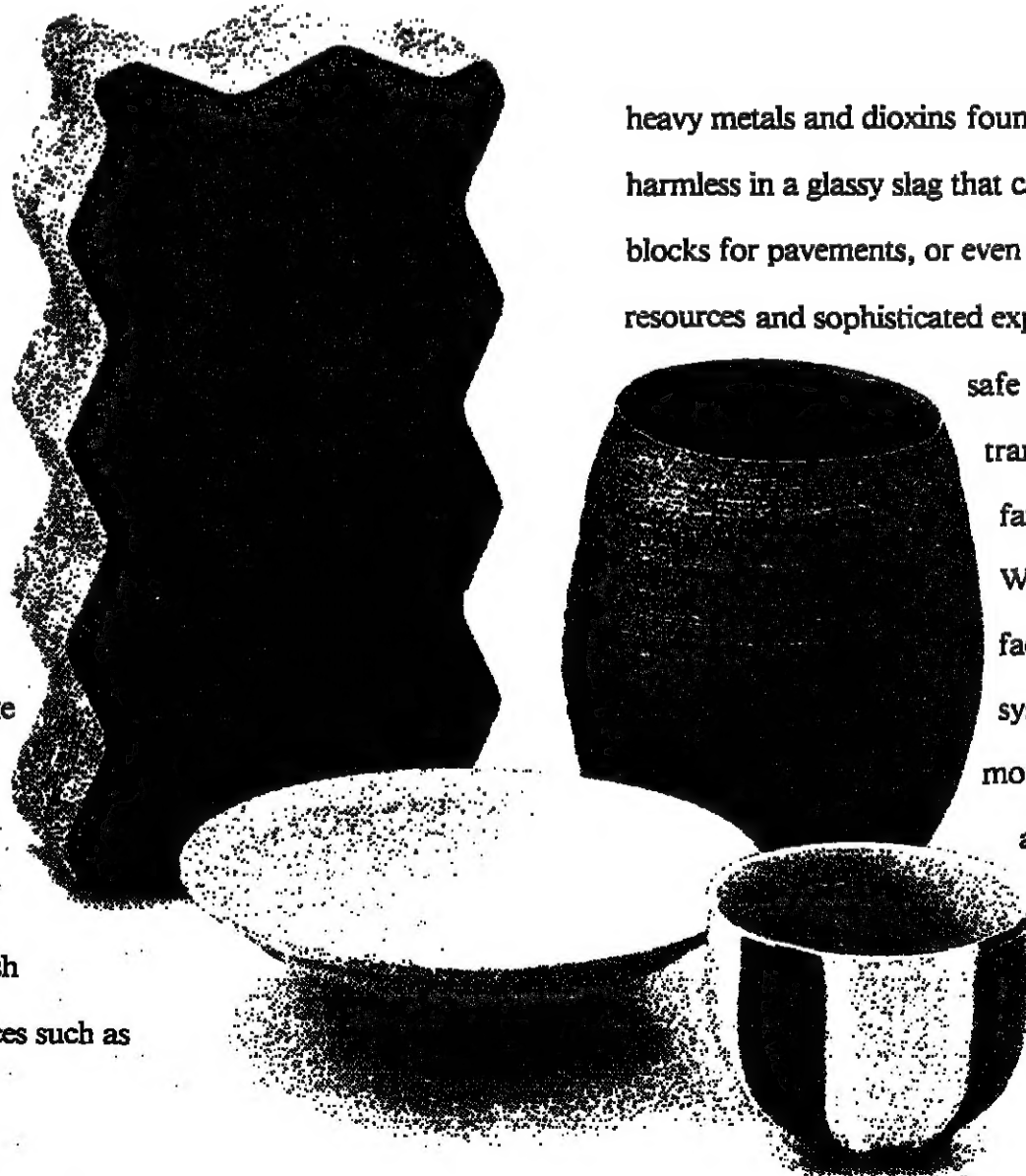


* Kubota's Surface Melting Furnace further reduces the volume of incinerator ash to 1/3, and sewage sludge to 1/30 of their original volume.

sewage sludge, and industrial waste. Kubota's Surface Melting Furnace is one example of our commitment to make

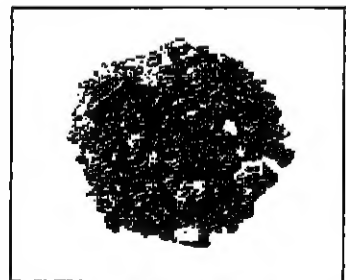
the world a cleaner

and safer planet. Used at sewage treatment plants or municipal solid waste incineration plants, this technology converts sewage sludge and incinerator ash into molten slag that is non-polluting. Toxic substances such as



heavy metals and dioxins found in incinerator ash and sewage sludge are rendered harmless in a glassy slag that can be used to make ceramic tiles and interlocking blocks for pavements, or even china cups! Utilizing its massive technological resources and sophisticated expertise, Kubota is also developing environmentally

safe biopesticides, and transforming deserts into farmlands. With environmental control facilities and piping & fluid systems accounting for



* Slag is chemically stable, and contains less than 0.002% of the original dioxin content level.

more than one third of our business, ecology is a major part of our corporate life. When we adopted "Loving and Caring for Our Earth" as our motto, it was more than ecological. It was just plain logical.

KUBOTA Corporation

Head Office:
2-47, Shikishigashi 1-chome, Naniwa-ku, Osaka 556, Japan
Phone: (06) 648-2111 Telex: KUBOTA J65251 Facsimile: (06) 648-3862

London Office:
11/12 Hanover Street, London W1R 6HF, U.K.
Phone: (071) 629-8471 Telex: 263235 KUBOTA G Facsimile: (071) 629-8915

Frankfurt Office:
Boschring 21-23, 6073 Egelsbach, Germany
Phone: (6103) 43061-4 Telex: 4170358 KBT D Facsimile: (6103) 49217

BUSINESS AND THE ENVIRONMENT

Two months later, the Rio Summit is already becoming a distant memory, confirming the cynics' view that it was largely a waste of time.

That is probably mistaken, though it is hard to argue the contrary because virtually nothing has happened in the meantime to prove that it was worthwhile.

Indeed, from the businessman's point of view, it is difficult to see what relevance the summit has at all. Most of it consisted of wrangles about environmental aid to the Third World and the ins and outs of bio-diversity, something few people had even heard of before Rio.

Yet the presumption must be that Rio will have some sort of impact. There were, after all, more than 100 heads of state or government there. They put their names to several documents, two of which will become international treaties with legal force. So what should the prudent business person prepare for?

Broadly, Rio should give a higher prominence to environmental matters on the political agenda, though that is hard to imagine at the moment. The recessionary facts of life in most economies and the growing resistance to regulation make environmental concerns something of a luxury. If one assumes, however, that the industrial world will eventually emerge from recession, the cost of Rio will begin to seem affordable. The resumption of growth will also rekindle anxieties about pollution and waste. Eventually, greenery may loom very large indeed.

The UK, in its role as president of the EC, is already trying to chip away at other industrial countries into giving Rio decisions a "prompt start".

As the Earth Summit furore fades to a murmur, David Lascelles assesses the several treaties' practical effects

Hot air in Rio sows green seed

with an eight-point action plan to ratify agreements and to organise further implementation.

Rio may not have supplied many answers, but it certainly clarified the questions. Policymakers, government officials, the green lobby and the media are much better informed about the issues than only a year ago, and they have become much more receptive to the case for international action. All the signatories to the treaties implicitly yielded some sovereignty to the rest of the world. That means that the UK may be forced by its treaty obligations to introduce pollution controls or to grant aid to support the global environmental cause.

Looking at the specific commitments made in Rio, many were merely restatements of worthy goals, but several may have a business impact. Among the more noteworthy are the following:

- The polluter pays. This was recognised as the guiding principle in allocating clean-up costs.
- Countries committed themselves to discouraging or preventing the relocation of environmentally hazardous materials and activities.

- Closer integration of environmental considerations into government decision-making.
- Tighter controls on international traffic in hazardous wastes.
- Promotion of environmentally sound waste disposal and re-use.
- Promotion of scientific and technological work, and of codes of practice.

Potentially the most significant

The presumption must be that the summit will have some impact. More than 100 heads of state or government put their names to several documents, two of which will become international treaties. So what should the prudent business person prepare for?

ardous materials and activities.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

• The "precautionary approach". Lack of full scientific certainty should not be a reason for delaying environmental action.

• More information to be made available to the public about haz-

ardous activities to other countries.

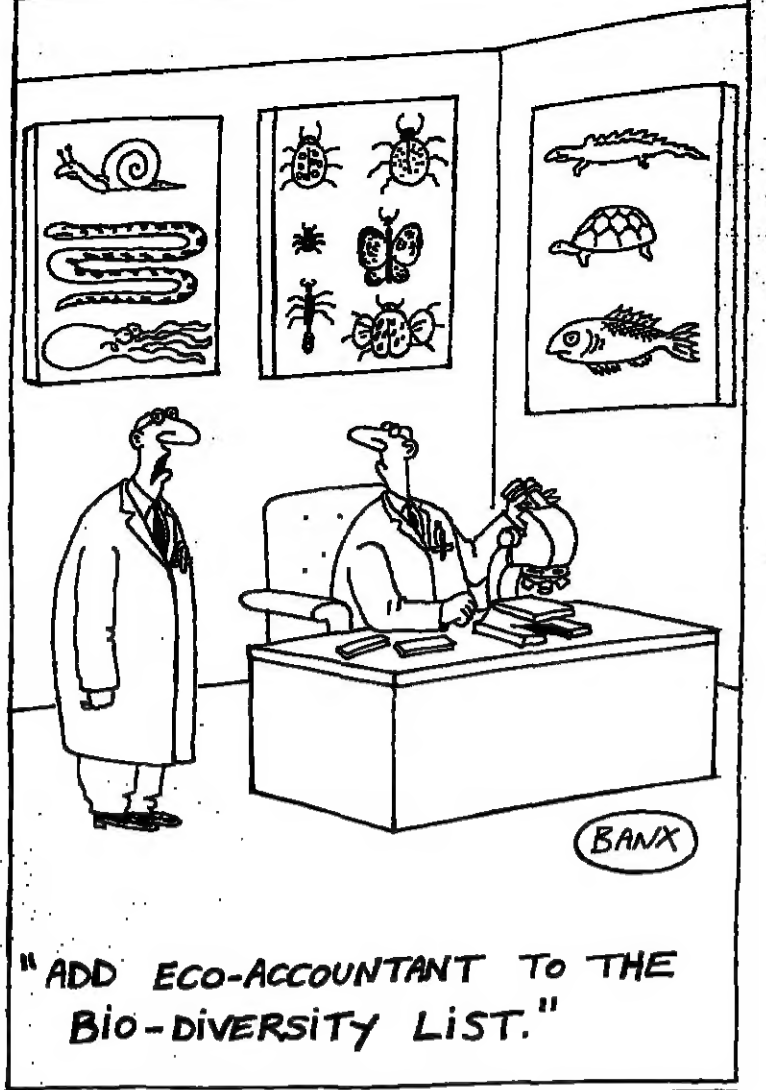
has already prompted many countries, including all EC members, to say in Rio that they intended to do much better than that. Being a nitpicky measure, its results should be easier to gauge.

The second treaty - on bio-diversity - is much more specialised. It is of great interest to businesses such as pharmaceuticals or biotechnology, and to the research industry as it contains legal measures to protect plant and animal life, and it also lays down rights to commercial exploitation.

The Rio summit produced another much-handled phrase: "sustainable development". That is the principle whereby economic growth should not impair the world's resources for future generations. In theory this sounds very worthy, and if carried through to its logical conclusion it could have a major effect on business. For example, it could lead to the introduction of "eco-accounting" and oblige companies to account for the full environmental cost of their activities.

Sustainable development, however, may be a flawed concept, if not an actual contradiction in terms, since economic growth has to consume resources, it therefore seems highly unlikely that this will mean an early shift to eco-accounting. Certainly none of the industrial countries at Rio was proposing any of the legal moves that would be necessary precursors.

Few businesses will notice any immediate changes. The summit may make itself felt over time. The regulatory screw will be steadily tightened, government policy will acquire a greener tinge, and actions will begin to be taken for global, rather than purely national, causes.



Want a lesson on how not to manage an environmentally sensitive investment in the American tropics? Take a leaf out of Stone Container's Honduras casebook.

At the end of February, the head of the Honduras Forestry Corporation, Porfirio Lobo, abandoned a controversial plan to cede 216,000 hectares of forest bordering the River Platano Reserve in La Mosquitia (of "Mosquito Coast" fame) to the big Chicago-based paper company.

For Gustavo Morales, Stone's Honduran representative, formerly a senior adviser to Lobo, the cancellation brought a mixture of disappointment and relief. "It saddens me, because the opposition told a lot of lies, and it was a good deal for Honduras." On the other hand, after he appeared on television supporting the proposal, he received death threats from a guerrilla group, and had to have his children escorted to school by armed guards.

Mosquito Coast bites developers back

Ian Walker on how secrecy and lack of guarantees sabotaged a Honduran forest project

The architects of the deal - originally conceived in mid-1991 with the personal support of Honduran president, Rangel Callejas - had been taken by surprise by the passion and scope of local opposition to it.

The opposition was led by environmentalists, who were concerned about the deforestation and erosion linked to logging. They were worried too about the future of the River Platano Reserve, an area of broad-leaved forest defined as a site of world importance. They had support from US and European campaigners, who picketed Stone's offices, aiming to mar the company's promotion of a clean image which was largely based on its recycling activity in the US.

Although no industrial plant was planned for La Mosquitia, reports that Stone's Florida paper plants had been fined for effluent violations set heads nodding in Honduras, where plans to dispose of toxic waste from the US have made the headlines several times in the last year.

Local opponents also included the Association of Sawmill Operators, which said that the agreement flouted a 1974 law requiring 51 per cent local participation in forest enterprises. The opposition, however, extended far beyond the usual range of interest groups and lobbyists, providing a rare victory for popular activism in Honduran government decision-making.

The company launched a public-

ity campaign in January, but it came too late to save a project that was seen as a vehicle to dig the country out of debt problems. Stone had negotiated too good a deal. As it carried a presidential imprimatur, a quick deal was seen by Honduran officials as likely to yield more favours at the top than an agreement more fiercely negotiated.

The proposed 40-year term of the agreement, though chosen essentially as the period needed to regenerate the pine forest, was particularly damaging, because it evoked timber concessions ceded by corrupt military governments early in the century.

Amid the furore, the details of the proposal were easily lost from

sight: the more so, because the government never authorised the publication of a Master Agreement signed in September. A clumsy draft version, which suggested incorrectly that the government would itself undertake most of the infrastructure work associated with the project was widely leaked. Most of this was already built and the company itself was financing what extra infrastructure was needed.

By the agreement, Stone was to supervise local sawmills, applying sustainable exploitation techniques developed in the US. Stone would buy the residues unsuitable for board production and ship them to a new chip-mill to be built at the northern port of Puerto Castilla.

The proposal did not involve logging in the hardwood forest.

The company, which needs wood-chip to supply its US paper plants, was to invest \$35m in the chip mill and a large port. The plan involved the creation of 3,000 jobs, mainly waste collection and firewatching. Unemployment in the region is estimated at 80 per cent, and most Mosquitians welcomed the deal.

The agreement also proposed that Stone buy wood unsuitable for board production throughout Honduras. An estimated 40 per cent of the potential of the forest is wasted at present. Finally, Stone was to give technical advice to private landowners throughout the country on reforestation for commercial harvesting in areas destroyed by

marginal agriculture and ranching. "Honduras has tremendous forestry potential," says Morales, "but if it isn't used it will be destroyed." The country has seen its forest area decline from 7.4m hectares in 1974 to 4.5m in the late 1980s, largely as the result of "slash and burn" agriculture on the forest margins.

In the Mosquitia, Nicaraguan migrants fleeing the Contra war in the 1980s added to the pressure. Also, the national logging industry has a poor record on reforestation. In parallel with the decline in the forest stock, wood exports (almost entirely pine) have declined from 114,000 board feet in 1980 to 31,250 board feet in 1991.

Many Honduran ecologists accept the principle of sustainable economic exploitation of the forest. Their opposition to Stone was based on the suspicion, fuelled by the secrecy surrounding the agreement, that it was badly negotiated and lacked adequate environmental guarantees.

FT LAW REPORTS

Lloyd's review is set aside

REGINA v LLOYD'S AND OTHERS, EX PARTE BRIGGS AND OTHERS
Queen's Bench Division (Divisional Court)
Lord Justice Leggatt and Mr Justice Popplewell
July 17 1992

LEAVE to apply for judicial review will be set aside if the application for leave was out of time and counsel failed to apply to extend time, and if leave would not in any event have been granted had counsel disclosed that the parties and issues overlapped with those of earlier parallel proceedings.

The Divisional Court so held when granting an application by the Corporation of Lloyd's and others to set aside leave granted *ex parte* by Mr Justice Potts to six Lloyd's Names, Mr FC Briggs and others, to apply for judicial review to quash cash call statements and auditors' reports issued by Lloyd's.

LORD JUSTICE Leggatt said that on May 12 1992 the six Lloyd's Names including Mr Briggs obtained *ex parte* from Mr Justice Potts leave to apply for judicial review against Lloyd's, its committee, chairman, deputy chairman and a company called GW Run-Off Ltd.

In earlier parallel proceedings by representatives of 800 Lloyd's Names against members' agents, Mr Justice Saville had refused applications for interlocutory injunctions to restrain the agents from drawing down on the applicants' deposits. He took the view that on the material before him there was no legal basis for restraint.

Lloyd's now applied to set aside the leave granted by Mr Justice Potts.

Rules of Court required that an application for leave must be made within three months.

The application was to quash cash call statements and auditors' reports, all issued more than three months before May 19. The Names were out of time and no application was made to extend time.

The first main ground for applying to set aside was that the Names did not make full and frank disclosure of the overlap between the present proceedings and those that had been before Mr Justice Saville.

At the beginning of the hearing Mr Justice Potts asked

counsel for the Names about the earlier proceedings, of which he had learned from newspaper reports.

Counsel asserted that the applicants were wholly different and that there could be no overlap of issues because the proceedings before Mr Justice Saville concerned private law rights, whereas the present proceedings concerned public law.

He did not know that any of the present Names were parties to the earlier action. Because no hint of overlap was given he took it as implicit that there was no overlap.

He failed sufficiently to comply with his duty to the court. With regard to private and public law wrongs, he "considered that the issues raised could not directly overlap".

But that proceeded on a superficial comparison between the two actions, and a failure to analyse the issues properly.

Three of the Names were plaintiffs before Mr Justice Saville.

Counsel made no enquiry to ascertain, as was an obvious possibility, whether there was any overlap of parties.

His assumption that there was no overlap was wholly unjustified. On the present application to set aside, Mr Colman for the Names was obliged to accept that there was non-disclosure or misrepresentation to Mr Justice Potts in three respects: duplication of identity of three plaintiffs in the earlier action and three Names in the present proceedings; overlap of issues; and participation by Mr Briggs, before the hearing, in the voluntary draw-down procedure.

In relation to each, however, he contended that the misrepresentation was immaterial.

Where an extension of time was necessary in which to apply for judicial review there was an obligation on counsel to apply for it. If a judge gave leave, he was not to be taken by implication to have extended time.

The relevance of the fact that three of the Names had been plaintiffs in the other action was that if Mr Justice Potts had realised they were common to both sets of proceedings he would obviously have considered carefully the content of Mr Justice Saville's judgment.

If he had read the judgment, he would have realised the

issues were kindred, and that the remedies sought were similar in effect.

In those circumstances it was unlikely he would have given leave, especially when he realised that Mr Briggs had already submitted voluntarily to the draw-down system.

The second main ground for the application to set aside was Mr Colman's abandonment of the essential case by which the Names had been successful. Before Mr Justice Potts, counsel had argued that the Lloyd's regulators had used their discretionary powers contrary to the policy and objects of the private Act which vested them with their statutory powers, in particular the Lloyd's Act 1871, section 10.

Mr Colman sought to have the application treated as though founded on a wholly new case not hitherto considered.

He contended that although there was no overriding duty owed by Lloyd's to the Names, it owed different duties to different groups - policyholders, brokers, agents and names - and that it was its responsibility to strike a balance between the duties owed so as to protect the interests of each group.

But it was unclear why and in what respects the cash call system demonstrated such failure to look out for the interests of Names as to attract judicial review.

No bad faith was imputed; there had been no failure to exercise statutory power fairly; Lloyd's had not paid regard to irrelevant considerations or failed to pay regard to relevant considerations; its decision had not been made with manifest unreasonableness; and there had been no failure to observe proportionality.

Since the main ground on which leave was obtained had been abandoned, unless the court were to exercise its discretion with untoward beneficence, the leave thus obtained must be set aside.

The third ground for applying to set aside was that the Names' motion was doomed to failure or was not seriously arguable.

Mr Colman argued that Lloyd's had by its conduct under its "old system" given rise to a legitimate expectation in the minds of Names that the same specificity in the sums of money required by cash call statements and the same 30-day notice to draw-down, as

opposed to the revised practice of accelerated draw-down, would continue to be given.

None of the Names was shown to have conducted himself in consequence of his knowledge of the old practice, or on an assumption that it would continue.

Styling the Names' complaints as "legitimate expectations" did not so alter their character as to permit the invocation of public law remedies by way of judicial review. The fourth ground for applying to set aside was that, because the rights relied on and the remedies invoked were not in truth matters of public law, Lloyd's was not in this context amenable to judicial review.

Even if Lloyd's did perform public functions - for example, for the protection of policyholders - the rights relied on in the present proceedings related exclusively to the contract governing the relationship between Names and their members' agents, and in some instances their managing agents.

That had nothing to do with public law. Lloyd's operated within one section of the market. Its powers were derived from a private Act which did not extend to any persons in the insurance business other than those who wished to operate in the section of the market governed by Lloyd's, and who committed themselves by contract.

Neither the evidence nor the submissions suggested that there was such a public element about the relationship

Television/Patricia Morison

Thoroughbreds and old nags

SOPPY though it may seem, the week's most enjoyable viewing for me was *The Peruvian Paso Horse* (Saturday, C4). A paso is native to Peru, a chunky little horse which throws its front legs out like a swimmer doing butterfly. Unfortunately, this beautifully filmed documentary was shown at tea-time, which was nice for younger members of the Pony Club but meant that most adult horse-lovers - not a small constituency - missed a treat.

Prime-time animal programmes tend to be grimmer and altogether worthier. They harrow us over the imminent extinction of a species, or confront us with shots of humans doing beastly things to animals - poachers sawing off elephants' feet, abductees, vivisection, etc. Alternatively, wildlife films show animals doing ghastly things to each other, to maintain what an older generation of film-makers used to call the "balance of nature".

In contrast, the hymn to the paso appeared distinctly effete, an hour-long rhapsody about a thriving and wholly artificial breed designed to give the Peruvian land-owning class an even smoother ride through life. The paso descends from bloodstock brought to Peru by Pizarro in 1531, and thence from the famed Spanish jennets of the middle ages. Centuries of breeding have produced a sweet-tempered horse like an equine mattress and easily capable of 40 miles a day around the hacienda. So smooth is a paso that a polo-chick chaps was shown riding at speed with a full champagne glass in his hand. Very useful at a Boxing Day meet...

Horses give the best performances in *The Riders of the Dawn* (Thursday on C4), the terrible yet mildly addictive Spanish drama series set in a health spa in Civil War Spain. Black thoroughbreds pound across the set in slow motion every time terminal wilt

threatens the story-line. They symbolise raw nature plus the untamed recesses of the Spanish soul.

Every human member of the cast belongs to the *Jamón* school of acting although to be charitable, the poor dears are hindered by a farcical plot, a Spanish version of *Cold Comfort Farm* crossed with *Gone With the Wind*. It is served with liberal dollops of sex, for one and two players. Subtitles make the staccato script quite ludicrous. An old gentleman puffs into the Spa. "It's getting hot out there," he opines. The weather? Query the inmates. "No, the political situation."

I have stuck with this amusing tosh, curious to find out what happens to the web-footed daughter they chained up in the cellar. But interest has flagged since the Republicans shot her - but did not in the balls. He was wonderful, a prophesying nutcase who answered the prayers of barren ladies without recourse to the supernatural.

Franco, Behind the Myth (Thursday, BBC1) was disappointing, almost inevitably given that producer Anthony Giffen compressed Franco's entire life into one hour. Surely Franco's importance merits the fullest treatment recently, and memorably, according to Stalin? Jonathan Dimbleby suavely presented an interesting portrait of El Caudillo thanks to archive film and interviewees who included Franco's daughter, his niece, and Eisenhower's interpreter, who recalled how entranced the President was in Madrid in 1959 by well-staged mass expressions of love for their leader.

But by the standards of the best television histories, *Franco* failed: its premise was that in contemporary Spain, Franco's memory has been wiped out by an act of collective amnesia. Several times, Dimbleby made this striking assertion - but the evidence to back it up was missing. It is

one thing to detect a "web of myth" around a historical figure but it is quite another - and indeed something of a contradiction - to assert that he has been forgotten or expunged. If this is the case with Franco within Spain, who then is responsible for unearthing the new material which gave this documentary its particular interest?

Take the film of Franco's speech of loyalty to the Axis in late 1940. Found "very recently", it argues powerfully against the Francoist view that the General strove to keep Germany at arm's length. Who found the film, and is its significance really ignored in Spain? A second hour and some academic talking heads would have given this ambitious film vastly more "bottom".

The excellent documentary series, *Invisible Enemies* (Sunday, C4) provided the most alarming information of the week. Do not eat oysters in Alabama, or you could catch cholera. Do not sleep on the ground in California, or you may catch bubonic plague. Far from dying out, the Black Death is on the loose in the US and the more our lifestyles change, even for the better, the greater the risk from disease.

Few tropes are more engaging than the journalist on a voyage of self-discovery. *Searching for a Killer* got the latest run of Video Diaries (BBC2, Saturday) off to a teeth-grinding start. Innocent Geoffrey Smith clearly has trouble with the concept of military dictatorship. In 1987, he was unlucky enough to get shot in the leg during a horrendous massacre at a polling station in Haiti. The experience gave Mr Smith bad dreams, so he decided to go back to confront his would-be killer.

How strange, no one in Port-au-Prince was anxious to help with nice Mr Smith's enquiries. But did he really think Haiti is like Clacton-on-Sea? Presumably he was working as a newsmen in 1987, or how else did he come to be surveying the freshly killed bodies with the international press corps and then copy it in the leg when the gunman returned?

The film dwelt at quite unnecessary length on CBS footage of the corpses in the school. A brave dissident provided Smith with film of bodies executed by the police and dumped on waste-ground, which sent the intrepid Mr Smith off looking for the corpses. Damn it, someone had moved them.

Cheap thrills and a grotesque level of disingenuousness made this one of the most nauseating programmes I have seen. Smith played out his emotions for the camera, being frightened for his own skin as gunfire echoed through the night, being ever so sorry for two burglars executed for robbing his apartment.

As he complained to his friend, the wise vodoo priest, he never got his Walkman back. But at least he got those precious videotapes home - a film which presumably will earn him as much as the average Haitian earns in years. So it was all worth it. Mr Smith's bad dreams have stopped and he can rebuild his new life. Meanwhile, how are his unfortunate friends and contacts doing, back in Port-au-Prince?

SCHOENBERG'S 1913 "drama with music" *Die glückliche Hand* added on Monday another brilliantly polished item to the schedule of operas-in-concert at this year's Proms. It calls for a baritone protagonist, two mimes, chorus, enormous orchestra and offstage band, and was intended to be mounted with a paraphernalia of stagecraft so complicated that long stage directions accompanied almost every bar of the score.

A key factor in the genesis was the eponymous 1908 of Schoenberg's first wife with the painter Gerstl: how typical of the composer's ruthless honesty in self-analysis to discover in his own wounded psyche the raw material for music-drama of this kind, and then to clothe the experience in sonorities of many-layered texture. In many ways it remains the musico-dramatic Expressionist Handbook, a vision of several arts uniting in the depiction of extreme states of mind.

Twenty or so minutes of its passage

seems like anyone else's 60. At various times attempts have been made to bring it to the stage (recently, for instance, by the Netherlands Opera) - but these, I submit, are doomed to prove unfaithful to the letter of Schoenberg's text, if not the spirit. During this superbly achieved and finished concert realisation by the BBC Symphony Orchestra and Singers under Oliver Knussen, with David Wilson-Johnson as The Man, I felt once again that the mind's eye, aided and informed by the ear, is probably the ideal location for any production.

That way, at least, concentration on Schoenberg's tantalisingly tight-packed musical matter can build up without distraction. Knussen's gifts of sympathetic elucidation are now all but unequalled among conductors of 20th-century scores; with masterly confidence he led the orchestra, and the listener, through the labyrinth of motivic relationships, the closely worked developments and cross-references, the webs

of luminous, icily glittering sound.

I have seldom been so gripped, fascinated, deeply stirred. This *Glückliche Hand* came at the end of a "difficult" - but in fact wildly pleasurable - 20th-century concert, of a kind only the BBC would now dare promote. Stravinsky's *Four Studies*, Colin Matthews's rhythmically complex and coruscating, rawly energetic *Broken Symmetry* (first performed at the Barbican last March) and Elliott Carter's austere exhilarating *Three Occasions* were its other parts, all delivered with magnificent authority.

Max Loppert

At Sunday's Prom the Glyndebourne Festival Opera scored its annual triumph, this time with Chalkovsky's *The Queen of Spades*. With minimal props, Caroline Shuman costumed the "semi-staging" resourcefully. A surprising amount of the gambling-house action was crammed on to the modest sloping platform; in other

scenes the chorus were represented there by a few token figures, while their colleagues sang from the choir-stalls at either side. The London Philharmonic played in front of them, and Andrew Davis drew brilliant work from them without threatening his singers.

Very little of the drama was lost, thanks above all to Yuri Marusin's wonderfully louche, haunted hero, prowling the platform and its borders like a driven predator. The principal ladies, Nancy Gustafson and Felicity Palmer, again made striking impressions; Sergei Leiferkus and Dimitri Kharitonov sang the male aristocrats nobly; Marie-Ange Todorovitch lent her lovely, penetrating mezzo to Pauline, and as "Daphnis" also partnered Anne Dawson's charming "Chloé" in the Pastorale. With all the lesser roles firmly cast, the performance was wholly rewarding, and tumultuously received.

David Murray

Ballet/Clement Crisp

Blues Suite

ALVIN AILEY believed that "dance should primarily be entertainment". His mission was to show the themes and styles of black American dancing to the widest possible public, and it was on the terms of theatre at its most direct, most instantly appealing, that he chose to work.

The reactions of audiences during the present season by the Alley company at the Coliseum - shouting, whistling, wildly applauding after each number - indicate how immediate is the effect of Ailey's troupe upon a public which is not, I suspect, prepared to rise with such open enthusiasm to other large dance companies. It is a response that is given otherwise only to concert performances by the Bolshoi Ballet, where every pirouette and ardent leap wins a cheer. The link lies in the performers' vividly communicated sense of involvement in their roles, and even in the exuberance of their dancing as an expression of identity.

Ailey's sharp sense of theatre - confirmed by his years performing on Broadway - always seemed more sure than his ability to create choreography valid in terms of movement. As we saw on Monday night, when an all-Alley programme became the second and final offering of this Coliseum season, his theatricality constantly rescues his dances.

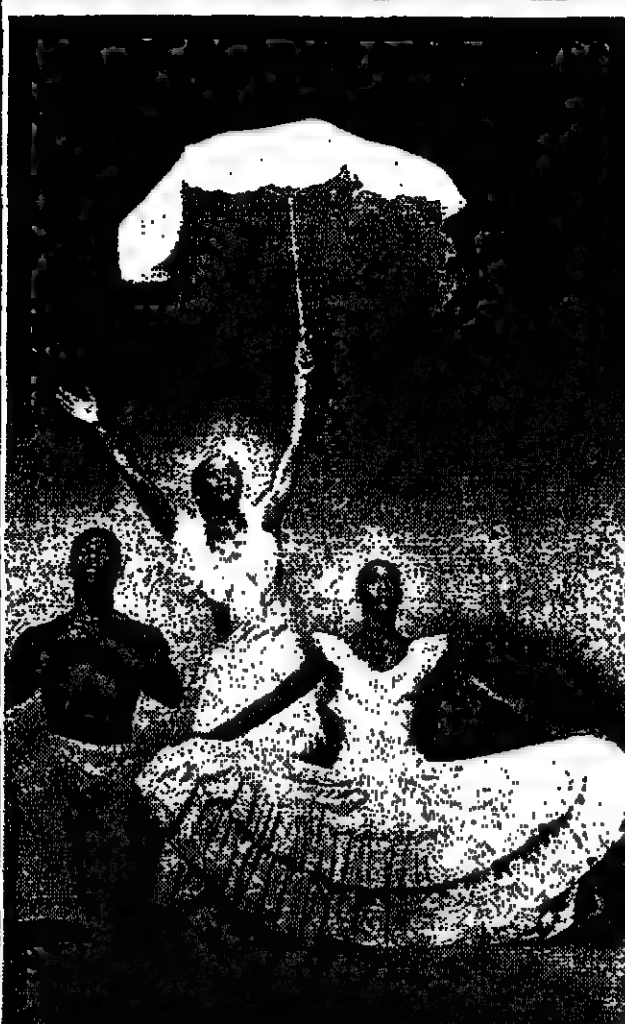
His early *Blues Suite* is yet another display of strutting bucks and saucy girls flaunting their charms in that stiff-legged walk that makes them look like exotic birds. The dances are clichés, the characters are stereotypes, but the piece wins its cheers because of the rhythmic bravura of its cast. They preen or slouch, and their steps have an electric speed and a self-mocking wit - are they sending themselves up, or merely the characters they play? - which transcend the predictabilities of what they do.

So, when Nisha Thomas teases and provokes Don Bellamy in *Backwater Blues*, or Dudley Williams and Raquelle Chavis (mistress of an acutely crutch-sprung walk) stalk each other, we are held, not by the power of the choreography, but by the performers' verve. And, pace W B Yeats, we can know the dancer from the dance.

Ailey as commentator upon serious social and racial themes - with *Revelations* this is probably his most celebrated work - speaks truly in *Cry*. Designed as a tribute to "Black women everywhere", it is a solo whose potent sincerity outweighs its expressionistic naïveté. Created for Judith Jamison, who now directs the Alley company, it was danced by Renee Robinson with absolute conviction, and with an eloquence that avoided bombast or emotional wallowing. Miss Robinson was very fine.

I thought *The River*, the major piece in the evening, perfectly dreadful when it was given by American Ballet Theatre, for whom Ailey made it in 1970. It had a commissioned score from Duke Ellington, and a choreographic style that veered between awkward academic writing and the loose-lipped demotic of popular dance. As performed by the Alley dancers, it looks even less appealing, since they do not offer the classic securities with which such ABT artists as Natalia Makarova and Erik Bruhn redeemed choreographic bialtances. Eight numbers chart the course of a river. The mood is by turns soulful or vivacious, and mostly veers towards the cute. The dancers are tremendously energetic - they look as if they are in deep water. Happily, the evening ends with *Revelations*.

The Alvin Ailey American Dance company continues with this programme at The Coliseum, London, until August 1.



Don Bellamy, Renee Robinson and Nisha Thomas

Festival d'Aix-en-Provence/Andrew Clements

Don Giovanni

and a minimum of extraneous stage business.

The sets by Arduino Cantafora are the central interest: elaborately painted flats of the buildings and grounds of a country estate ascend and descend not only between scenes but regularly during them. There is much play with beautifully detailed *trompe l'oeil*, a succession of false promiscuities and with mysteriously divisive half-curtains, providing plentiful opportunities for irrelevant peekaboo.

The graveyard scene is presented behind a gauze framed like a canvas on which is emblazoned a Magritte-style clockface, which then retreats upstage for the final drama and its painfully tame climax. It is all innocuous enough, and in the end perfectly unobtrusive; there is no imperative to worry at what it all means.

But neither is there anything in the direction of the singers that illuminates or informs. Certainly the performances give no impression of detailed interpretation or a hint of cogent dramatic planning - most of the protagonists could well have imported their stock performances - and in the process the opera's strongest flavours have been leached away.

First and foremost it is a determinedly unserious *Giovanni*, so much so that wonders what on earth he was doing with all those women listed in Leporello's book - playing whist with them, perhaps? - and what he could possibly have done to deserve his ultimate fate. Also it is a version of the opera in which the element of class distinction has been totally obscured. Zerlina and Masetto seem all of a piece with the

others; even if he has some oddly dressed friends, she appears all elegance and grace, at least the social equal of the Anna and Elvira.

In part that all is a consequence of the casting, for though it is sung with firm, solid tone and technique, Schmidt's Giovanni at the opera's heart is a woefully uncharismatic figure, lacking humour, charm and even a flicker of sensual appeal. The character exudes no qualities at all, even negative ones, and against that utterly neutral background a Leporello as engaging as Anton Scharinger's emerges all the sharper, providing the wit and quick intelligence his master appears to lack. With the Anna (Hillevi Martinpelto) and Ottavio (Herbert Lippert) costumed and bewigged like a rococo Tweedledum and Tweedledee, and

an Elvira (Patricia Schuman) much given to scarlet gowns and occasional wandering across the stage, the Zerlina of Marianne Roerholm has much more chance to carve her own niche. She does it beautifully; though the others sing with care and precision she is the only one to invest her lines with any meaning, to synthesise personality and music point.

But none of the singers could have been helped by the conducting. Though Jordan was very careful to make the English Chamber Orchestra in the pit articulate every phrase with great precision, he did so at the expense of any forward momentum or variation in dynamics. Some arias (Ottavio's pair especially) almost ground to a halt; others were drilled out when they should have at least hinted at sweet persuasion. It epitomised the whole approach to the opera, a *Don Giovanni* lacking light and shade, any genuine feeling of perspective rather than the succession of false ones paraded on the stage.



Easy rider: champagne at the gallop in *The Peruvian Paso Horse*

INTERNATIONAL ARTS GUIDE

AMSTERDAM

Concertgebouw 20.15 Ross Pople conducts the London Festival Orchestra in works by Handel, Malcolm Arnold, Britten and Vaughan Williams. Fri: Elly Ameling sings Falla and Granados (6718 345)

ATHENS

ATHENS FESTIVAL American Ballet Theatre gives four performances at the Odéon of Herodes Atticus this week, opening tonight at 21.00 with a mixed bill including Jerome Robbins' *Other Dances* and Aurora's Wedding from *Sleeping Beauty* (repeated tomorrow). The programme on Sat and Sun is Raymond Scott 3. Ashton's *Symphonic Variations* and Glen Tetley's *Le Sacre du Printemps*. Next week: National Theatre of Greece production of Euripides' *The Trojan Women* (322 1458)

EPIDAUROS FESTIVAL

The annual festival of ancient drama in the 14,000-seat

amphitheatre at Epidaurus has plays by Sophocles, Euripides, Aeschylus and Aristophanes on most weekends during the summer. This week's performances (Fri and Sat) of Sophocles' *Antigone* are given by the National Theatre of Greece. Next week: Aeschylus' *Prometheus Bound*. Performances begin at 21.00.

Tickets are available daily at the Athens Festival box office (322 1458), or at the theatre of Epidaurus every Thurs, Fri and Sat (0753-22006)

BARCELONA

Gran Teatre del Liceu 21.00 Ramon Gualdi conducts the Orchestra of the Liceu in a programme of arias and duets, with Giacomo Aragall and Miriam Gaudi. Tomorrow: Orchestra and Chorus of Minsk. Fri: Marilyn Horne and Arleen Auger are soloists in a Rossini programme with the Liceu Orchestra. Aug 3-8: Spanish National Ballet (Rambla dels Caputxins 61, tel 412 1188)

LONDON

Covent Garden 19.30 Sylvie Guillem in Natalia Makarova's Royal Ballet production of *La Bayadère*, also tomorrow (and Sat with Alina Asylumurataeva). Fri: Romeo and Juliet. Royal Ballet season runs till Aug 8 (071-240 1066)

Coliseum 19.30 Alvin Ailey

American Dance Theater. Daily till Sat (071-240 5258)

Royal Festival Hall 19.30 Ben Stevenson's English National Ballet production of *Cinderella*, daily till Sat. Next week: Coppélia. Aug 10-15: Romeo and Juliet (071-928 8800) Purcell Room 20.00 Shobana Jeyasingh Dance Company in a triple bill incorporating elements of classical Indian dance style. Repeated tomorrow and Fri (071-928 8800)

MUSIC

Barbican 19.30 Count Basie Orchestra, led by tenor-saxophonist Frank Foster. Tomorrow and Fri: Victor Borgie (071-638 8891) Royal Albert Hall 19.30 Libor Pesek conducts the Royal Liverpool Philharmonic Orchestra in works by Dvořák, Ives and Sousa. Tomorrow: Gabrieli Consort. Fri: Matthias Bamert conducts the BBCSO. Sat: new work by Richard Rodney Bennett. Sun: John Eliot Gardiner conducts Handel and Goehr (071-823 9998)

CHICHESTER FESTIVAL

Tonight's performance is King Lear in New York, Melvyn Bragg's witty and powerful drama (runs till Sep 26, next performances on Aug 1 and 8). Tomorrow: final performance of Christopher Fry's comedy *Venus Observed*, starring Donald Sinden. Opening on Aug 5: She Stoops to Conquer, Oliver Goldsmith's glorious comedy about love, directed by Peter

Wood. The festival runs till Oct 3 (0243-781312)

NEW YORK

JAZZ/CABARET Blue Note Jazz Club and Restaurant This week's guest is soprano saxophonist and fusion groove master George Howard, who has carved a niche over the past decade as one of the most distinctive voices in contemporary jazz and R&B. Showtimes at 21.30 and 23.30. Dining (131 West 3rd St near Sixth Avenue, 475 8592). Algonquin Hotel KT Sullivan, who won this year's outstanding female vocalist award in Manhattan, is currently making her debut in the Oak Room. Shows at 21.30 tonight and tomorrow, with an extra show at 23.30 on Fri and Sat. Dining (59 West 44th St, 840 8800). Rainbow & Stars An Irving Berlin revue entitled Say it with Music is currently underway daily except Mon from 21.00. Dining, plus views of the Hudson (30 Rockefeller Plaza, 632 5000).

MUSIC

Avery Fisher Hall 20.00 Mostly Mozart Festival: Christoph Eschenbach is conductor and piano soloist in a programme including Beethoven's First Piano Concerto and Zerkine's aria from *Ariadne auf Naxos*, sung by Cynthia Sleden. Tomorrow: Brass spectacular, Fri and Sun: Barry Douglas plays Mozart (875 5030) New York State Theater 20.00 City Opera production of *La coccinelle*, with Elizabeth Hyatt

as Mimi. Tomorrow: La traviata. Fri: 110 in the Shade. Sat: matinee: Cav and Pag. Sat evening: Carmen. Sun matinee: La traviata (870 6570)

THEATRE

● The Best of Forbidden Broadway: tenth anniversary edition of Gerard Alessandrini's musical revue, mixing new material with favourite numbers from the past (Theatre East, 211 East 60th St, 838 9090). ● Two Trains Running: August Wilson's latest play, set in a Pittsburgh luncheonette in 1969 (Walter Kerr, 219 West 48th St, 239 6200). ● Dancing at Lughnasa: Brian Friel's wistful autobiographical play with an American cast (Plymouth, 236 West 45th St, 239 6200). ● Guys and Dolls: a lively production of Fido Loesser's musical, directed by Jerry Zaks (Martin Beck, 302 West 45th St, 239 6200).

PRAGUE

A summer season of concerts has been organised in the city's historic buildings and gardens. Tonight in Wallenstein garden: Czech Brass Quintet in works by Smetana, Verdi, Mozart, Handel and others. Tomorrow afternoon in Church of Maria Virgin of Snow: recital of sacred songs by Vojtech Nařezánek, with

works by Dvořák, Bach and Mozart. Tomorrow evening in South Garden of Prague Castle: Prague Wind Quintet in works by Beethoven, Ibert, Hindemith and Czech baroque composers. Advance booking at the Smetana Hall (u Prašné brány 2, 232 5858).

● For pre-booking and information about other events, contact city centre ticket agencies (Bohemia: Na Příkopě 16, 228738, or Melantrich, Wenceslas Square 38 in the passage, 228714).

VIENNA

OPERA The Kammeroper presents its production of *Don Giovanni* every Wed, Fri and Sat till Aug 15 in the Imperial Gardens of Schönbrunn Palace, with a cast headed by Danish baritone Boje Skovhus. Performances begin at 20.30 (512 0100).

CONCERTS

Alexander Rahbari conducts the Belgian Radio Philharmonic Orchestra in tonight's concert at the Konzerthaus, with music by de Beek, Brahms, Debussy and Ravel. In tomorrow's programme, Rahbari conducts works by Gottfried von Einem, Saint-Saëns and Dvořák. Fri in Rathaus: Mozart programme with the Vienna Academy (4000 8410).

THEATRE

Vienna's English Theatre (Josefsgasse 12) has performances of *Run for Your Wife*, daily except Sun (402 1280)

European Cable and Satellite Business TV

(all times CET)

MONDAY TO FRIDAY

CNN 2000-2300, 2300-2330 World Business Today - a joint FT/CNN production with Grant Perry and Colin Chapman

Super Channel 0830-0900 (Mon) FT East Europe Report - weekly indepth analysis from ETV 2130-2200 (Tues) Media Europe - what's new in European media business 2130-2200 (Wed) FT Business Weekly - global business report with James Bellini 0900-0950 (Thurs) Media Europe 2130-2200 (Thurs) FT Eastern Europe Report 0930-0950 (Fri) FT Business Weekly

Sky News 0130-0200 (Mon), 2130-2200 (Thurs), 0530-0600 (Fri) FT Business Weekly

SATURDAY

CNN 0900-0930 World Business This Week - a joint FT/CNN production 1900-1930 World Business This Week

Super Channel 1930-2000 FT Eastern Europe Report

SUNDAY

CNN 1000-1100, 1800-1830 World Business This Week

Super Channel 1900-1930 FT Business Weekly

Sky News 1300-1400, 2030-2100 FT Business Weekly

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL
Tel: 071-873 3000 Telex: 922186 Fax: 071-407 5700

Wednesday July 29 1992

Reshuffling education

YESTERDAY'S white paper on education promises a reform of the management of state-financed schools that, it says, will lead to "the pursuit of excellence for all pupils". This is a noble purpose. It can only be applauded. What is not clear is how much of what is in the paper is likely to lead to the fulfilment of so grand a mission.

The national curriculum itself is a step in the right direction. Established in 1988, it is still bedding itself down. Many will think the same of the assessment and examination process. The proposal to merge the relevant governing committees into a single School Curriculum and Assessment Authority will give the secretary of state, Mr John Patten, an opportunity to place known believers in his strict, moralistic code in charge of what is taught and how it is assessed. This is likely to be popular and may even be beneficial. The powerful new chief inspector of schools will ensure compliance; where there is failure an ad hoc "Education Association" will be sent in, rather as a company doctor, to improve or close the recalcitrant institution.

Some of Mr Patten's personal thoughts, as expressed in the introductory essay, will strike a chord with those who wish to see a more rigorous approach to education. "Schools should not be, and generally are not, value-free zones," he writes in one passage. "Pupils need to be told when they are doing badly just as much as they need to be told when they are doing well," he says in another. Nor does he ignore weak performers: schools will be obliged to take children with special educational needs.

So far, so closely in tune with what is becoming the new educational orthodoxy. The difficulty arises in the central thrust of Mr

Patten's proposals, which is to detach the school education system in England and Wales from local authority control. The programme of local management of schools within local government might have been made to work, but this choice has not been made. Before a decade is out most schools will be independently governed. Their income will be provided by a new Funding Agency for Schools (FAS). Local education authorities will gradually wither away. Their remaining functions, such as identifying children with special needs, providing tuition for difficult children, and looking after educational psychology services, may be transferred to social services.

The government will gain from this. It completes the transfer of the education budget from local control, where it hits local taxation, to the Treasury, where it can be cash-limited. It finally liquidates local education authorities, which are ideologically undesirable. It establishes a national voucher system, with the money following the child to the school of its parents' choice. In the early years this evolutionary change may present few difficulties. But as the new system gathers pace the light bureaucracy implicit in the FAS will inevitably gather weight. It will need to make local decisions about closures and the establishment of new schools. Future ministers will inevitably be doing badly just as much as they need to be told when they are doing well," he says in another.

In short, schools are in for a huge, generation-long bureaucratic reshuffle. The connection between this upheaval and the theory of parental choice is evident. The connection with the improvement of what goes on in the classroom is not.

Time to interfere

THE TRAGEDY in Somalia raises a fundamental question, as pertinent to the plight of countries such as Zaire or Angola as it is to the fate of 7m Somalis. What responsibility does the west have for erstwhile client states in Africa, once courted for strategic reasons, but abandoned when the end of superpower rivalry made those considerations redundant? And when these regimes collapse, should humanitarian imperatives override national sovereignty and justify the intervention of the outside world, providing aid where and when it sees fit?

The moral responsibility is clear. Africa's cold war legacy is the joint creation of the west and the former Soviet Union, whose rivalry many of the continent's leaders skilfully exploited. But the Soviet Union is no more. Only the west has the capacity to help Africa cope with the legacy, assisted by a United Nations now capable of playing a constructive role in world affairs.

In the era when the Horn of Africa was one of the cockpits of superpower rivalry, Somalia was courted by both Moscow and Washington. A shared border with Ethiopia, itself a cold war battleground, and the need for access to the Somali port of Berbera, strategically located on the Red Sea, made Somalia's friendship worth buying with aid and arms. Those assets are worthless in the new world order. Past rivalry over Somalia has been replaced by near indifference.

In the seven months since General Siad Barre abandoned the capital to competing factions, the country has descended into a state of anarchy from which recovery will be a forbidding task. Some 30,000 people have died. More than 1m Somalis have been displaced from their homes or have taken

refuge in neighbouring countries. Aid officials estimate that more than two-thirds of the 7m population are threatened with starvation, while hundreds of children are dying daily.

The arrival in Mogadishu last week of a 50-strong United Nations force to help monitor Somalia's fragile ceasefire is a welcome development. But it comes too late to avert catastrophe, and is too little to ensure a lasting peace. What more can be done? A good deal, according to Mr Boutros Boutros Ghali, the UN's hard-pressed secretary-general. He accuses the western nations that dominate the Security Council of double standards in dwelling on "the rich man's war" in the former Yugoslavia while largely ignoring the plight of Africa, and has proposed a significant extension of UN humanitarian and peacekeeping efforts in Somalia.

Nobody should underestimate the difficulties. Mr Boutros Ghali would be the first to admit that, with paymasters such as the US refusing to pay their share of the budget, the UN is impossibly overstretched by its existing commitments. What is more, intervention in Somalia is highly risky, with aid shipments vulnerable to violent interference from rival warlords in the capital.

Yet there comes a point at which humanitarian needs eclipse other considerations. There are recent precedents, most obviously the UN's role in opening up Sarajevo airport as a conduit for relief supplies. A relatively modest operation in Mogadishu, properly guarded and backed with air cover, would probably save hundreds of thousands of lives. Better still, in the case of the other Somalis waiting to happen in Africa, would be timely diplomatic intervention to avert disaster.

VAT compromise

COMPROMISE is an inescapable consequence of membership in the European Community. Those who belabour Mr Norman Lamont over his acceptance of legally binding minima in EC indirect taxation should recognise that fact or call for the UK to leave the EC.

Criticism needs to focus not on the fact of compromise, but on whether this particular compromise - painful, beyond a doubt - was worth making. It was. The gain, the abolition of customs frontiers from the beginning of next year, is worth the pain.

Nevertheless, the pain is not negligible. The US example demonstrates that minimum rates of indirect tax are not needed for a single market. Loss of autonomy is particularly painful in the case of taxation, the heart of parliamentary sovereignty. This is also a disturbing precedent, since extension of fiscal harmonisation to direct taxation could undermine the ability of EC governments to set competitive tax rates.

Nonetheless, the agreement is worthwhile. By accepting the 15 per cent minimum rate on VAT, as well as the minima on excise duties, Mr Lamont has ensured that customs barriers will be dismantled. He has achieved this without changing any of the UK's tax rates; he has avoided discriminatory increases in excise duties on whisky elsewhere in the EC, and he has ensured that agreement on the minimum rate to be applied from 1996 will require unanimous consent.

Achievement of the single market, a longstanding ambition of the UK, is worth the price. But one cannot ignore the lesson. Member states are loath to accept actions by others that compromise their ability to pursue traditional goals. In an EC whose member states are strongly committed to high levels of public spending, subsidiarity is subject to severe limitations. The agreement on indirect taxation provides a cogent example.

"Parents know best the needs of their children - certainly better than educational theorists or administrators, better even than our mostly excellent teachers." Education white paper

If schools were supermarkets, life would be simple. The successful would thrive; the failures would go to the wall; and parents, knowing best the needs of their children, would shop around for the highest quality at the cheapest price.

Many on the right of the Conservative party believe such notions can be applied to Britain's schools. In their book, vouchers, a minimal core curriculum and the abolition of local education authorities (LEAs) would do the trick, driving bureaucrats out of the classroom and freeing parents to pick and choose as they see fit. "The free market, if all the rules and regulations can be swept away to make it truly free, will both raise standards and diversify provision," says Mr Stuart Sexton, special adviser to Lord (then Sir Keith) Joseph when education secretary in the mid-1980s.

Post-Thatcher Tories continue to use market language. Entitled "Choice and Diversity", Mr John Patten's education white paper employs it page by page. "Parents know best," it says. "Resources will follow pupils so that good schools will flourish." Opting out of local authority control will, it argues, free the spirit of the nation's schools, allowing them to specialise to appeal to parents, and leaving parents free to "choose the school they believe best suited to the particular interests and aptitude of their children".

In reality, however, yesterday's white paper marks the return to a managed education system. Schools will be subject to less interference, and market forces will play a greater role than before Mr Kenneth Baker's 1988 Education Reform Act encouraged schools to opt out of local authority control. But standards and management, not choice and diversity, are the guiding lights.

The main difference with the pre-Baker schools regime lies in the definition of the standards and the identity of the managers. On the one hand, schools will be expected to meet more rigorous, nationally-imposed and monitored standards. On the other, out go locally-appointed bureaucrats, in come centrally-appointed bureaucrats - quangos, inspectors, curriculum designers, task forces to rescue failing schools and, standing behind them all, Mr Patten, with powers greater than any previously wielded by an English education minister.

Mr Patten's proposals for the transition from local to national management are workmanlike. An appointed Funding Agency for Schools (FAS) will take over the payment of funds to opted out, "grant-maintained" (GM) schools which are funded directly by central government. It will also assume a range of powers to plan school provision, progressively taking over functions from local education authorities as the proportion of schools opting out of LEAs increases. It will establish regional offices "as the number of GM schools grows".

The white paper insists that the powers of the agency will be "closely prescribed". But then so are those of existing local education authorities under present policy, which is devolving budgetary discretion to all schools. In effect, the government is proposing to replace elected local councils with appointed education quangos.

The education white paper, released yesterday, marks a return to a managed system, writes Andrew Adonis

A lesson from the minister

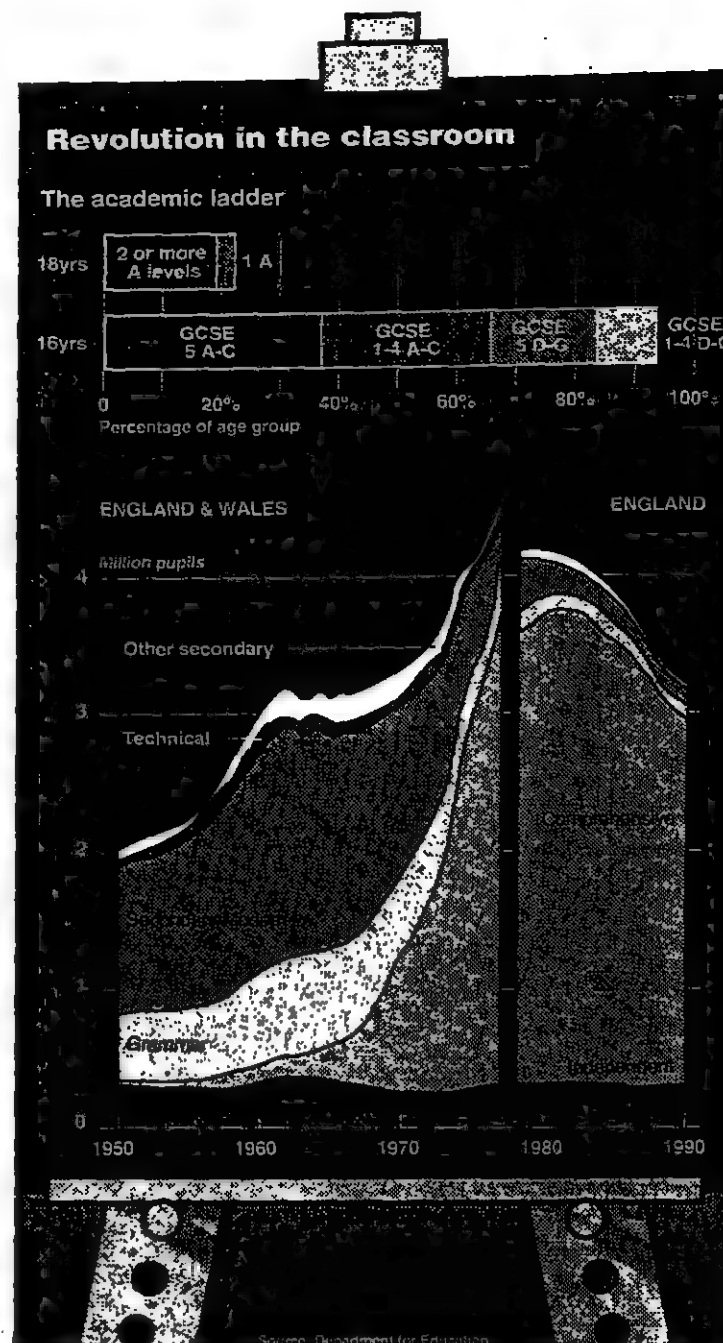
Since all state schools are bound to follow the national curriculum, which occupies about 85 per cent of available teaching time, the opportunity for schools to specialise is limited - a point Mr Patten went out of his way to stress yesterday in response to concern about a widespread return of grammar and secondary-modern schools. Whatever the balance between grant-maintained and LEA schools, the community comprehensive looks set to remain the basic school model for the foreseeable future.

The Tory right will be disappointed that Mr Patten failed to axe local authorities in one fell swoop. The government remains committed to parental ballots before schools can opt out. Mr Patten predicted yesterday that by April 1996, 4,000 schools would be grant-maintained, including a majority of secondary schools and a "substantial number" of primaries, attracted to opt out by new provisions allowing them to exit in clusters. That would still leave LEAs with 21,000 schools, including most primaries. Until 75 per cent of schools have opted out, LEAs will continue as now to be able to propose the establishment, closure and significant enlargement to schools, and will retain a veto over schools in their charge changing their characters.

The government is clearly anxious to avoid instant upheaval in the local government system, still convalescing from the introduction of the unpopular poll tax. Indeed, ministers have been going out of their way to talk up the role of LEAs. Addressing the Council of Local Education Authorities last week, Baroness Blatch, the schools minister, referred to "successful authorities of the future", noted "clear evidence that at least some local authorities are recognising the imperatives of greater competition and are implementing changes to the way they deliver services", and highlighted the opportunities for them in the new inspection and monitoring arrangements. Earlier this week Mr Nigel Forman, the further and higher education minister, stressed the "valuable role" LEAs could still play in post-16 education.

For the next decade, therefore, partnership between local, national and appointed authorities appears to be the name of the game. To see the new system at work, consider three issues high on the government's education agenda: surplus places, failing schools and special educational needs.

Schools in England and Wales currently contain about 1.5m surplus places, a huge drain on the education budget. If schools were purely voucher-financed, there would be no such thing as a surplus place: only "real" places would attract funds and, says Mr Sexton,



"those schools which persist in failing to respond to parental demands for high standards would close".

The white paper has no such touching faith in market forces eliminating waste. Instead, local authorities and the funding agency are to have a duty to report annually on surplus places. If they fail to remove them, Mr Patten proposes to take new powers not only to direct them to produce plans for doing so, but to publish proposals himself. Since such proposals must inevitably include school closures, the implication is clear: the funding agency, with Mr Patten's consent, will be empowered to close grant-maintained schools, in defiance of their governors if need be.

Since, to date, one of the principal motives behind schools opting out has been the desire to avoid closure or reorganisation, there is a grim irony in that. But as one county education director put it yesterday: "At last they've stopped pretending the system doesn't need planning - now we can get on with the job again."

An equally firm grip is to be taken on failing schools. Figures for last year show a third of 18-year-olds failing to gain a single GCSE pass at grades A-C, with one in 14 school-leavers failing to gain a single graded GCSE. The post-16 staying-on rate is improving, but last year only one in five 18-year-

olds gained so much as a single A-level pass. Here again, the market is given a marginal role. Mr Patten sees rigorous inspection and follow-up as the answer. Under this year's Education Act, the fruit of Mr Kenneth Clarke's brief stint at the education department, all schools will be subject to inspection once every four years. Inspectors will be asked to declare failing schools as "at risk", and Mr Patten intends to ask the inspectorate to organise its first cycle of inspections, starting in September 1993, so as to maximise the early coverage of schools thought likely to be "at risk".

When a school is declared "at risk" the government will expect the LEA (in the case of a controlled school) or the governors (in a grant-maintained school) to take urgent remedial action. Additional powers will be given to LEAs for the purpose, including a power to appoint extra governors and to withdraw delegation of funding.

It does not stop there. Where Mr Patten believes the LEA and its governors have failed to turn the school around, he will have new powers to send in an education association to run the school. According to the white paper, the association will be a "small and cohesive body" of some six members with a "remit to improve each identified school within a defined period," and with powers to "require staffing changes at the senior management level and within the teaching force." Mr Patten says education associations will be composed of retired teachers and people "good at running things".

Education associations are the most novel feature of the white paper, a bold attempt by the government to get a hold on sink schools. Mr Patten envisages them working by administering short, sharp shocks, returning schools to grant-maintained status when done. Many commentators sympathetic to the association idea are sceptical that it can be done quite so easily. Says Mrs Allison Wolf of London University's Institute of Education: "Running a school is not a bag of tricks. Everything we know about schools tells us that leadership and team-building is key. It is crucial that when the associations withdraw an effective management structure is left in place."

The same emphasis on partnership and strong direction in defiance of the market is evident in the third area, special educational needs. A fifth of pupils are estimated to have special educational needs at some point in their school life, and according to the Audit Commission, even the best-performing local authorities are taking 80 per cent longer to assess special needs than the government's guideline of 15 months.

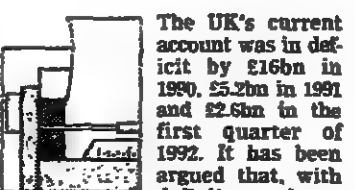
Under the white paper, special schools will be able to opt out, but any maintained school named in an special educational needs report will be required to admit the child, whatever its head and governors think. Mr Patten also intends to take powers to require local authorities and the funding agency to rationalise special schools, and to permit himself to put forward his own proposals, subject to a special inquiry.

Ready between the lines, therefore, and what the white paper really says is: "John Patten knows best the needs of children - certainly better than local authorities and often better than our mostly excellent parents."

PERSONAL VIEW

From debt to deficit

By Walter Eltis



these during a recession, serious problems will arise after the economy recovers, because imports will rise sharply. A surprising number of economic commentators have suggested that the persistent deficits indicate that Britain is in underlying structural deficit which only a large devaluation can cure.

The idea that devaluation can correct Britain's payments deficit is, on the face of it, odd. British wage costs are now below those of east Germany. According to the German Auto Industry Federation, hourly labour costs in west Germany exceed those in the British car industry by 70 per cent, and workers in east Germany receive two-thirds as much as west Germans. A devaluation would cut Britain's employment costs still further and make British labour still cheaper relative to workers in eastern Germany. Is that what we need?

In the first half of 1992, the volume of British non-oil exports grew by 3.5 per cent compared with the same period of 1991. OECD exports of manufactured goods grew less than this in 1991, so the UK's share may be rising slightly. That hardly suggests that sterling is overvalued. If our exports can grow 3.5 per cent when world growth is depressed, we should do far better when the world economy picks up.

But our trade is likely to remain in substantial deficit for reasons entirely unconnected with the competitiveness of British manufacturers. If any economy has an excess of investment over savings, its trade

will be in automatic deficit. Investment that it is unable to finance with domestic savings will be financed by foreign savings, and such a country will inevitably borrow from overseas and have a corresponding current account deficit.

Britain has been in this position for several years. We used to have one of the lowest personal savings ratios of any leading economy. This year personal savings have grown to 11.4 per cent of GDP, but the budget is moving sharply into deficit. On balance when taken together, there is not borrowing by the personal sector, companies and government, which is why our trade is in deficit. As the economy recovers, companies will raise investment and personal savings will fall. The savings rate was as little as 4

per cent at the height of the Lawson boom. It will not fall to 4 per cent again, but neither is it likely to remain as high as 11 per cent. If economic recovery is accompanied by increased borrowing by companies and families, while government continues to borrow as much as it does today, the UK's aggregate borrowing is bound to grow and our balance of payments deteriorate, whatever happens in industry. A devaluation would be irrelevant to curing that deficit - indeed, it might lead to increased borrowing as families and companies try to spend before prices rise.

Current account deficits can be due essentially to excessive macroeconomic borrowing or to a lack of microeconomic competitiveness. A propensity to borrow has been at the root of Britain's deficits. First, it was the Lawson boom and its aftermath, with heavy borrowing by companies. Now it is the increasing willingness of government to borrow, to which Mr Michael Portillo, chief secretary to the Treasury, is attending. The deviators appear oblivious of the possibility that a persistent trade deficit can be macroeconomic in origin, so that only reductions in net borrowing by the private sector or government can cure it.

Improvements in the competitiveness of individual industries should be constantly sought. Any company that improves competitiveness and consequently raises exports or cuts imports creates extra profits or employment, and probably both.

The National Economic Development Council's Industrial sector groups brought together 80 chairmen and chief executives, 300 directors and senior executives of UK companies, as well as senior trade unionists. One of their tasks was to make the weaker companies in an industry aware of what the best ones were doing, and aware that what was being imported could readily be produced in Britain.

The competitiveness of several UK industries is being transformed by the presence of Japanese, German and French companies in the UK. They are showing the smaller UK manufacturers how their own operations need to be transformed.

Our export growth rate of 3.5 per cent reflects such developments. But trade is bound to remain in deficit as long as the UK remains a net borrower in the world's capital markets.

The author is chief economic adviser to the president of the Board of Trade, and director-general of the National Economic Development Office.

This week on
Financial Times
Television

The battle for bottled water
— as the EC agree to
Nestle's take-over of Perrier,
on Financial Times Business Weekly.

Also in this week's programme,
the fifth of six special items on
the environment produced in
partnership with **mazda**
Motor Corporation

When to watch

Wednesday 21:30 and Sunday 18:00 (CET)
on Superchannel
Thursday 20:30, Sunday 12:30, 19:30
and Monday (01:30) (BST) on SKY News

FINANCIAL TIMES TELEVISION

Number One Southwark Bridge
London SE1 9HL England
Telephone: (44) 71 873 5541

Edward Mortimer

Continent of conflicts

Ethnic disputes lie at the heart of many of Europe's problems



FOREIGN AFFAIRS

Research Group, an independent study organisation.

The question may seem academic until one looks at a map, at the end of the pamphlet, showing 60 "current and emerging conflicts in Europe". Most involve ethnic groups whose national aspirations cut across not only existing state borders but also, in most cases, any alternative federal borders.

The author, Mr Hugh Miall, lists a further 14 conflicts in the Caucasus not shown on the map and observes wryly that "this list does not include the conflicts in the non-European parts of the former Soviet Union, ie central Asia, eastern Russia and Kazakhstan".

The thickest cluster of conflicts is in the Balkans, with a second intense concentration in and around the ex-Soviet republic of Moldova.

The map is shaded in an original way - the darker a country is shaded, the higher the proportion of the population belonging to the largest ethnic group. No state scores 100 per cent but a suspiciously high number rates 99 per cent: Austria, Denmark, the Republic of Ireland, the Netherlands, Portugal and Poland.

This happy state of ethnic homogeneity is, of course, what so-called "ethnic cleansing" operations in Bosnia and elsewhere are aiming for. The fact that Bosnia-Herzegovina is the palest area on the map, with the largest group (the Moslems) representing only 44 per cent of the population, explains why the effort to produce ethnic homogeneity is so protracted and bloody.

Ethnic homogeneity is not indispensable to a peaceful existence, as the example of Switzerland shows. But the individual Swiss cantons are, by and large, linguistically homogeneous. A national solution was proposed for Bosnia-Herzegovina by the EC, and at one point accepted in principle by all three communities there. The problem is that it is impossible to delineate a satisfactory canton for the Moslems, who are (or were) scattered throughout the republic.

Mr Miall has also published a book¹, which examines how and where disputes have been settled peacefully since 1945. As he says, "there are two main phases in conflict when resolution is more likely to be achieved. The first is at an early stage, before attitudes become too fixed and before four too hostile. The second is at a later stage when the con-

The darker shaded the country, the higher the proportion of the largest ethnic group of the total population.

1 Existing or possible conflicts



Source: West European Ethnic Conflicts: Prevention and Resolution

lict has become a stalemate and the parties are exhausted." Obviously, it is better to settle conflicts in the first phase; hence the emphasis on "early warning" and "early action" in the document adopted by the Conference on Security and Co-operation in Europe (CSCE) in Helsinki three weeks ago. The CSCE also established a High Commissioner on National Minorities, described as "an instrument of conflict-prevention at the earliest possible stage".

There is a danger, of course, that by drawing attention to national minorities this "eminent international personality" will create or exacerbate problems which might otherwise be solved by quiet assimilation. Some of the most successful nation states, such as France and the US, have simply denied the existence of national minorities among their citizens, insisting that citizenship and nationality are co-terminous.

But in the present climate few central and eastern European states can hope to solve their problems that way. The dominant idea in the region today is that states should belong to nations (or "peoples"), not vice versa. Many states are adopting constitutions which define them as "the state of the Croat or Lithuanian people, as the case may be. This implicitly excludes from citizenship those who do not share that particular national identity, thus inciting

them to look to another state for protection.

The Estonian government, representing a "people" which comprises only 60 per cent of the state's population, has gone so far as to reserve citizenship to members of that people. It argues that the rest of the population - mainly ethnic Russians - comprises immigrants (or their descendants) illegally introduced by an occupying power, the Soviet Union. One may sympathise with that argument, but it is not one the international community can afford to endorse. However deplorable the forced population movements in 1939, any attempt to reverse them could lead only to chaos.

The only approach that offers any hope is to start from the principle that whole populations should not be blamed or punished for past crimes.

In particular, civilian populations should be allowed to stay where they are and should not be denied human or civil rights on the basis of ethnic origin, language or national identity.

A different issue is raised by the continued presence of ex-Soviet troops in independent states which do not want them. Most of these troops are Russian, or at least speak Russian, and would like to go home if only they had homes to go to. The Russian government says, sometimes, that it intends to bring them back but there is much ambivalence about it. Russia's handling of the

break-up of the USSR has so far been admirably unlike

Serbia's handling of the break-up of Yugoslavia. More people have been killed in Sarajevo alone than in the whole of the former Soviet Union - at any rate in incidents involving Russians, as opposed to those where "peripheral" nationalities are fighting each other. But, as a Serb speaker noted on Monday at a conference sponsored by the New York-based International Peace Academy, the situation in Trans Dniestr - where Russian-speakers have proclaimed independence from Moldova under the "protection" of the 14th Soviet Army - is similar to that at the beginning of the Serbo-Croat war, when Serbs in Croatia proclaimed independence and a supposedly neutral federal army was sent in to keep order. It sided with the Serbs.

The proposed "CIS" peace-keeping force in Moldova could easily do the same. Indeed, the Commonwealth of Independent States could become a fig-leaf for Russian troops reasserting control in parts of the former Soviet Union.

The CSCE and other international bodies can still avert these looming conflicts if they act in time. The most urgent task is to persuade states such as Estonia and Moldova to take seriously the grievances of Russian-speaking minorities so that Russians will see international pressure as the best instrument for protecting their stranded compatriots.

OBSERVER

Governors under fire

What price a bust-up between Australia's central bank and the federal government? One certainly seems on the cards if the opposition Conservatives are elected next year, as looks likely.

John Dawkins, the federal treasurer, has just re-appointed trade union boss Bill Kelly to the Reserve Bank board for five years, ignoring opposition claims that Kelly's close relationship with Labor prime minister Paul Keating makes him incapable of making independent judgments.

The Conservatives have been unhappy ever since Keating chose one of his old treasury chums, Bernie Fraser, to head the Reserve Bank. The head of Australia's central bank has traditionally been a non-political appointment but Keating's choice of Fraser, which resulted in the early retirement of the bank's able deputy governor, has raised questions about the Reserve Bank's independence. John Hawson, the opposition leader, has stepped ahead of threatening to fire Fraser and Kelly, but has talked of amending the Reserve Bank Act to increase the bank's independence if he wins the next election.

The tensions in Australia are just the latest sign that being a central banker is not as cosy a number as it was once cracked up to be. Mariano Rubio, the governor of the Bank of Spain, stepped down last week. His chances of getting a third term disappeared after the Ibercorp scandal broke.

Russia's central bank boss, Georgy Matukhin, resigned a few weeks ago after he lost the support of the government

and parliament.

The central bank chiefs in Finland, Poland and Peru have all lost their jobs over the last year and S-Venkataramanan, India's central bank governor, has been under increasing pressure in the wake of the Bombay financial scandal.

Political pressures have played a role in unsettling all these figures. But few are quite as outspoken as Australia's Bernie Fraser who vowed last year that he would not resign "just to appease some dickhead minister".

Safety first

The Association for Payment Clearing Services finds it "extraordinary" that one in five holders of plastic cards admits to never checking that they are safe during the course of a day.

If this means that four out of five people do check their cards every day, then Observer finds this even more staggering.

Merged out

Unions, like companies, often discover that mergers have unexpected costs. Officials of the former print union Sogat, which last year merged with the NGA print union to form the GPMU, estimate that redundancy payments to former Sogat officials whose faces did not fit have reached about £330,000. Brenda Dean, the 49-year-old former Sogat leader, and most prominent casualty of the merger, has pocketed £145,000.

The London Machine Branch of GPMU, a former Sogat stronghold, is so alarmed by such figures, and by the NGA's domination of the merged union, that it has called for a special conference to discuss Dean's departure. But Alf Elderton, the branch secretary,



"I'll really miss being jeered at by men with their bottoms hanging out of their trousers"

admits that the response has been relatively cool. "People say a conference would cost too much money," he says.

Tony Dubbins, the GPMU general secretary, defends the pay-outs on the grounds that the merger has saved £1m from the joint wages bill of the two unions. The pay-out to Dean - overshadowed only by the £230,000 paid to Clive Jenkins when the white collar union MSF - appears to have been part of the merger agreement.

Unsuitable

Red faces in Cleveland. When lawyers for the families of the victims of the air-crash at La Guardia in March slipped in a claim for \$90m in damages, they duly cited all companies involved. There was USAir, which flew the airliner; Fokker, which made it; Dow Chemical, which supplied the de-icer used before the fatal take-off attempt; and Rolls-Royce, whose engines powered the jet.

Alas, some legal whizz in Ohio thought Rolls-Royce meant fancy motor cars, so

the lawsuit named

"Rolls-Royce Motor Cars Inc" as a defendant. But the car business has long been owned by Vickers, and the aerospace engine manufacturer is a separate quoted company.

"We don't know why the car company is cited - perhaps it's the Vickers connection," purred an airy and disingenuous spokesman for the "right" Rolls in London. "The suit's being refiled," said a spokesman for the Cleveland law firm, not a little embarrassed.

Chopin around

Birdsong, as Observer noted yesterday, may be the order of the day on Classic FM's test transmissions but its potential offerings are being peppered with birdshot. Shostakovich's ninth symphony is deemed OK but his sixth is definitely out. Likewise Samuel Barber's overture to School for Scandal is judged a no-no, while his Knoxville clears the audio-burdle.

With the help of the ear of broadcaster and writer Robin Ray, supplemented by those of a group of young music graduates, Classic's programme controller (and part-time tv chef) Michael Bukht says 5,000 pieces have already been found accessible and melodic enough to make the schedules when the station is launched in September.

Grave decision

New Zealanders have been given a chance to make the best of a grave situation. Rotorua District Council is offering discounts to people willing to dig the graves of their dead relatives under the supervision of cemetery staff. The normal cost is NZ\$497 but families get 40 per cent off for digging their own plot.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Initiative offers focus on value of training

From Sir Allen Sheppard.
Sir, An article in the FT ("Employers consider seeking approval from Investors in People" July 22) rightly points to the growing employer involvement in Investors in People - an initiative supported by business as well as government and delivered through the Training and Enterprise Councils, and about improving training investment and performance of people at work.

The first Investors in People were announced last October. Today, there are 68 with more than 1,100 employers involved. As your article points out, those involved include Unilever, Shell, Boots and J Salisbury. But involvement goes far wider - it embraces small businesses, schools, local authorities and hospital trusts. This initiative has the capacity to transform the performance of people and the organisations for which they work. At Grand Metropolitan we regard it as a key initiative which offers a new and clearer focus on the contribution train-

Privatisation plan not a viable option

From Mr Edwin Fleming.
Sir, It was with a strong feeling of déjà vu that I read your article about Companies House which stated that "supporters of civil service privatisation have long argued that Companies House is an ideal candidate for privatisation..." ("Companies House review is ordered", July 25).

Nearly 10 years ago the government announced that it planned to privatise the Companies Registration Office Office (as Companies House was then called). The proposal did not succeed because, under the First Companies Directive (EEC Directive 68/151), the information which is held by Companies House has to be made available to inquirers by post "at a price not exceeding the administrative cost thereof". Where profit is forbidden by law, whence privatisation? Edwin Fleming, 55 Kylemore Avenue, Mossley Hill, Liverpool L18 4PZ

ing can make to our business, both in the UK and overseas. Investors in People challenges us to review and improve what we do.

Because it is challenging and adds real value it takes time to become an Investor in People. The real measure of achievement is in the 1,100 employers involved, taking action and improving their performance. The 68 Investors in People show what can be achieved and how the rest of us can follow and benefit. Allen Sheppard, chairman & group chief executive, Grand Metropolitan, 20 St James's Square, London SW1Y 4RR

Prices are no joke

From Dr Peter Nyholm.
Sir, Ms Balsom (Letters, July 20) is absolutely right about rip-off prices for products in Britain. However, this only touches the surface. The cost of so-called professional services such as the law and accountancy is nothing less than a scandal. This problem derives from attitudes at the very heart of the City of London. My UK bank recently wrote to me explaining that charges would rise in "order to contain rising costs". Am I losing my facility in British English - or just my sense of humour? Peter Nyholm, 6008 Bon Terra Drive, Austin, Texas 78731, US

Dismissal was unlawful

From Mr Ronnie Fox.
Sir, The damages awarded against Nissan UK in court proceedings last week were not for unfair dismissal ("Executive wins £204,880 for unfair dismissal", July 25) but for unlawful dismissal; that is, for breach of Mr Stan Chojaj's contract of employment. The distinction is important. Usually, the highest award which an industrial tribunal has jurisdiction to make following an unfair dismissal - that is, dismissal contrary to the employment legislation - is only £16,150. The amount

awarded to Mr Chojaj is said to be the largest in an employment action. Employees who have not gone to court have often received much larger sums as part of an amicable settlement. The terms of the settlement invariably include an undertaking to keep the details confidential. Ronnie Fox, senior partner, Fox Williams, City Gate House, 39-45 Finsbury Square, London EC2A 1UU

Teamwork that creates urban renewal and strong local economy

From Mr Alastair G Balls.
Sir, I refer to your editorial on urban agencies (July 22). A mythology about different models of approach to this subject is rapidly establishing itself, drawn largely on a perception of London Docklands. The impression is growing that the development corporation method of renewal offers a gung ho, bricks-and-mortar approach, contrasting sharply with a more sensitive and strategically planned community development approach which emphasises real employment and living conditions. In practice this need not be so, and it seldom is.

Newcastle Business Park, featured on the cover of the Urban Regeneration Agency consultation document, is the

product of teamwork combining the development corporation, the City Council, the Tec training agency and the private sector. It is universally reckoned in the north-east to add strength to the local economy.

The Royal Quays development in North Tyneside, together with an adjacent City Challenge scheme in a troubled housing estate, is about the Development Corporation, the local authority and local community groups working together to bring investment and through this better jobs, training and housing to the local people.

The St Peter's Riverside scheme in Sunderland, on an old shipyard next to Bede's Monastery Church, is being drawn together by the

new University, the City Council, the Development Corporation and again community groups. It will provide sheltered housing for rent, new homes for sale, new commercial premises, community recreational facilities, and a new business-based University Campus. Just a short way upstream, a major new business park - with sites for traditional heavy industry as well as high-tech manufacturing - is also being developed as a partnership project.

The debate about agencies should not focus on stereotypes. Those of us who are practitioners know that structures do not determine the quality of the outcome but the willingness of the many parties and individuals necessarily

involved in urban areas to work as a team towards an agreed goal. This cannot be legislated for.

The real significance of the URA is that the task of managing the major urban regeneration grant regimes is being transferred from civil servants, who are required to act as auditors rather than initiators, to a body which will be action and results orientated. This is helpful, but its success will depend on the quality of the relationships it can forge with other local bodies.

Alastair G Balls, chief executive, Tyne and Wear Development Corporation, Seaburn Road, Newcastle-upon-Tyne NE4 7YL

WHY WALES IS ON THE CARDS FOR BUSINESS.



In the last 20 years so many major companies have found that Wales is a good move for business.

Companies like Bosch, Sony and Kimberly Clark all of whom have discovered the numerous Welsh advantages of a skilled, adaptable workforce; excellent sites available for manufacturing and offices; and the impressive communications links - motorways, ports and Cardiff/Wales Airport, making Wales an ideal operational centre.

All achievable, with a little help from the Welsh Development Agency - a real Welsh Advantage when you mean business.

Put the Welsh Advantage to your advantage. Call Geoffrey Smith on (0222) 666862; by fax (0222) 668279 or write to him at Welsh Development Agency, Pearl House, Greyfriars Road, Cardiff CF1 3XX.



THE WELSH ADVANTAGE.

By Christopher Parkes
In Name

Domestic orders for plant and machinery in June were 23 per cent lower than a year earlier, according to the VDMA engineering industry association. Revising a forecast made in March of real growth this year of up to 1 per cent, to a fall of 2 per cent, it said that "the worldwide recovery simply has not happened".

The RWI economics institute in Essen said it expected German economic growth next year of only 2 per cent, trailing average west European growth of 2.7 per cent and the 3.75 per cent expected in the US. While US interest

Turnover in the first five months had fallen by 2.6 per cent, and hopes for an upturn in the

The only sectors showing a real improvement in May were textiles and clothing and drug stores. Car and parts retailers reported a 9.8 per cent real drop, while turnover in TV and audio fell 14.6 per cent.

**By Alison Smith in London and
Andrew Hill in Brussels**

Blue Arrow on judge's

Norman Lamont: the suggestion that British sovereignty had been diminished was very silly

Spain is calling for Britain to change the name of British-made sherry, or grant equal tax treatment to Spanish sherry, which now attracts higher tax because it has a higher alcohol content.

VAT harmony, Page 2
Editorial Comment, Page 12

By John Mason in London

Mr Jonathan Cohen, Mr David Reed and Mr Nicholas Wells, all former County NatWest executives, and Mr Martin Gibbs, a former Phillips & Drew director, had all been convicted of conspiring to mislead the markets over the result of the 1987 Blue Arrow

However, criticising Mr Justice McKinnon, he said judges had the ultimate responsibility for ensuring the manageability of trials. Mr Justice McKinnon should

proceedings against Mr Charles Villiers and Ms Elizabeth Brimelow, both formerly with County, and Mr Paul Smallwood and Mr Tim Brown of Phillips & Drew.

Continued from Page 1

Torrax was worth at least \$3.08bn, and he appears to have subtracted their Ercros valuation of \$387m as Peat Marwick, RIO's auditors, valued Ercros at zero last December.

FTSE Index: 2373.4 (+25.4)

As the dust settles, it becomes clear that quite a number of things are going Allied's way these days, including the removal this week of the threat of higher EC duty on gin and whisky. The shares have outperformed the market fairly consistently over the past couple of years. There might be life in them yet.

British Aerospace

There could scarcely be a better measure of the extreme suspicion with which the market views British Aero-

Doubtless the fall in the shares to a level less than half last year's rights issue price owes much to deep uncertainty about what action BAe will take to stem the losses in its regional aircraft division. The company, of course, can say nothing ahead of its interim

statement in September. But here, too, the market may be erring on the side of pessimism, with regard both to the size of the provision resulting from the worst case of outright closure and to the impact on cash flow.

At its current level, the price is discounting a savage cut in the dividend at the very least. Since the market is so determined to look on the bad side, there is no telling how it may react if new car sales in August turn out even more awful than expected. British Aerospace has developed an unnerv-

Allianz

Yesterday's 3 per cent fall in the share price of Europe's biggest insurer looked like a knee-jerk reaction to a well-trailed but still expensive underwriting loss of DM1.8bn. Although the performance of Allianz has not been out of line with the market this year, its shares now stand a full 15 per cent below their level of DM2.306 when the last rights issue was announced in February.

The broader question is whether Allianz has frittered away shareholders' funds on over-priced acquisitions unlikely to offer a realistic return in the near term. After all, first-time consolidation of US and east German subsidiaries accounted for DM1.26bn of extraordinary underwriting losses. Conditions in the UK and French markets continued to deteriorate and the domestic market is hardly healthy, judging by a two-thirds fall in underwriting profit.

With its shares yielding only a shade over 0.6 per cent, Allianz still has a low enough cost of equity capital to take a long-term view. But the patience of some shareholders is clearly being tested. The promise of extensive cost-cutting suggests Allianz is getting more serious about earnings. It may also be nearing the bot-

ings. It may also be nearing the bottom of the underwriting cycle in most key markets - although it could be years before income matches costs in east Germany, in spite of a promise of sharply higher premiums. Moreover, while it remains difficult to pin a precise value on the investment portfolio through the cloudy medium of German accounting practice, stated earnings from investments reached DM3.56bn last year. Against this background, the group's first ever underwriting loss looks less threatening.

Yesterday's column stated that Scottish Amicable was 60 per cent invested in sterling bonds. This should have read Scottish Equitable. Scottish Amicable's gilt weighting is 32 per cent.

This announcement appears as a matter of record only

July 1992



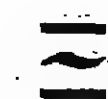
£50 million Preference Share issue

The issue was subscribed by

**Electra Private Equity Partners
Bankers Trust Company
Creditanstalt**

The transaction was led and structured by

Electra Kingsway Limited



ELECTRA

ELECTRA KINGSWAY LIMITED
65 KINGSWAY LONDON WC2B 6QT TELEPHONE: 071-831 6464 FAX: 071-404 5388
A MEMBER OF IMRO

[illegible]

INSIDE

Thomson-CSF pulls out of LTV deal

Thomson-CSF, the French state-controlled defence electronics group, yesterday pulled out of a planned deal to buy a stake in the missile division of LTV of the US. Loral, a New York-based defence electronics manufacturer which last week announced plans to buy the LTV missile unit with Thomson as a minority partner, said it planned to go ahead with the purchase on its own. *Page 28*

Low spirits in Malaysia

Malaysia's stockbrokers are a shade dispirited: the excitement of recent big privatisations has evaporated; funds appear to be short; and speculative investors have been heading for the more interesting money-making grounds of Hong Kong. The market's composite index has lost 3.3 per cent over a 12-month period. *Back Page*

Bull falls short of expectations

Bull, the French state-owned computer maker, yesterday reported a slightly worse than expected FF1.58bn (\$337m) loss for the first half of the year. *Page 17*

Amstrad in turmoil

Serious questions have been asked about the future of Amstrad, the UK computer and electronics group. One analyst says: "Trying to be a low-cost supplier in this market is suicidal. They are a giant in the personal computer market compared to the elephants that are the Japanese and US players, which are becoming increasingly aggressive in the European market." *Page 23*

Mitsubishi Trust

In an article on June 21 headed "Foreign concern over Italy's health" it was stated that Mitsubishi Trust played a leading role in a number of banking syndicates which provided loans to EFIM. In fact, Mitsubishi Trust has never played a leading role in any banking syndicate which provided loans to EFIM. We apologise to Mitsubishi Trust for this error.

Market Statistics

Base lending rates	32	Life equity options	18
Bankmark short bonds	18	London 100, 1000	28-32
FT-A index	28	Managed fund service	28-32
FT-A world index	32	Money markets	32
FT/SGMA int bond	18	New int. bond issues	18
Financial futures	32	World commodity prices	32
Foreign exchange	32	World stock mkt indices	32
London recent issues	18	UK dividends announced	18
London share service	25-27		

Companies in this issue

ADT	19	Gulf Int'l Bank	17
AECI	18	Harland Simon	19
ASB Bank	18	Hartfield Inds	22
Advance Bank	18	Hypo-Bank	17
Air Canada	18	Inesco	16
Allianz	18	Invesco	17
Allied Textile	18	Kwik-Fit	26
Allied-Lyons	25, 18	LTV	17
American Express	18	Labatt	19
Amstrad	22	Loral	19
Asahi Breweries	16	ML Laboratories	19
Asahi Glass	18	McKeechnie	10
Ashtead	20	Mifflin	22
Aukett Associates	20	Murray Smaller Mkts	22
B&Q	15, 25	National Power	19
Bass	19	New York Daily News	16
Binder Hamlyn	19	New Zealand Post	18
British Bio-tech	18	Peugeot	17
British Coal	18	Piercer Pacific	17
British Rail	10	PowerGen	25
Brown & Jackson	22	Renaissance	17
Bull	17	Reiters	25
Cadbury Schweppes	19	Samba	16
Canadian Airlines	16	Sapporo Breweries	16
Capita	22	Shandwick	19
Carlsberg	18	Student Loans Co	10
Chryslers	20	Telefonos de Mexico	16
Chrysler	15	Temple Bar Inv Trst	22
Elm	15	Tenneco	22
Fitch	20	The Equitable	18
Fokker	18	Thomson-CSF	18
Greene King	19	Tinsley (Eliza)	22
Guinness	25	USX	17
Guinness Mahon	10	Whitbread	20
		YFM	20

Chief price changes yesterday

FRANKFURT (DM)		PARIS (FF)	
Alcoa	780.5 + 24.5	Alcoa	830 + 44
Alcatel	170 + 10	Alcatel	810 + 41
Alcatel-Mot	737 + 38	Boeing	563 + 28
Allianz AG	1555 + 82	Cal Lafayette	208 + 35
Daimler-Benz	880.5 + 11.5	Chrysler	563 + 25
Hoechst AG	329 + 14	Deutsche Bank	288.5 + 14.5
Mannesmann	320 + 10	TOYOBO (Yam)	
New York (NY)		Renault	315 + 30
Boatnet	45 + 3	Luc	15 + 2
Chrysler	21.4 + 1.5	Flatts	300 + 30
Gen Motors	41.6 + 3	John Deere	300 + 30
Takap	45.4 + 3.4	Johns Saw	
Tenneco	38.4 + 2.4	Mch	250 + 30
Fokker	21.4 + 1.5	Winn Sam	160 + 21
Everex Systems	21.4 + 1.5	Sandwich White	250 + 50

LONDON (Pence)		Barrat Devs	
Alcoa	402 + 17	Br Aerospace	40 + 10
British Steel	57.2 + 3.2	Chryslers	53 + 14
Capita	137 + 3	Daimler	10 + 3
Ex-Larab	14 + 3	Deutsche	125 + 44
Guinness	534 + 21	McL-P	735 + 28
Hawthorn Fds	130 + 5	ML Ldn	735 + 28
Imperial	402 + 22	NSM	31 + 6
Reiters	1027 + 42	Nat Power	232 + 10
Rolls Royce	120 + 18	Power Corp	23 + 17
Aviation Assets	4 + 1	PowerGen	245 + 11
Avon Products	373 + 22	Young (R)	41 + 4

Underwriting loss holds back Allianz

By David Waller in Munich

SHARES in Allianz, Germany's largest insurance group, fell 3 per cent yesterday after the Munich-based group reported flat net profits for last year and its first ever loss on its mainstream underwriting business. Group net profits rose 4 per cent to DM1.65bn (\$690m) on premium income up 27 per cent to DM48.7bn. The underwriting result - the net of premium income and claims paid before investment income - fell from a

profit of DM182m in 1990 to a loss of DM1.78bn. Mr Henning Schulte-Noelle, chief executive, said the poor underwriting performance was due to losses at Fireman's Fund, the US insurance company bought in 1990, and at Deutsche Versicherungs, the former east German state insurance monopoly acquired for DM711m. Another factor was the poor state of world insurance markets. Mr Schulte-Noelle said conditions would not improve substantially during the current year.

Premium income would rise to more than DM50bn, he said, but underwriting profits would be hit by poor claims experience and the effect of intense competition on premium income. Allianz will attempt to counter this trend by increasing efficiency and reducing costs, the chief executive said. He said France, eastern Germany, North America and the UK - where Allianz has owned Cornhill since 1986 - would feel the rationalisation measures most. He said the group would proba-

bly shed 3,500 employees this year, out of a total workforce of 61,000 at the end of last year. Deutsche Versicherungs and Fireman's Fund were consolidated for the first time last year. This helped to boost group turnover but both made underwriting losses of DM625m. The underwriting figures were offset by a near doubling in other income to DM3.56bn. The main factors behind this were a DM929m contribution from Fireman's Fund and extraordinary income of DM484m arising from

the restructuring of interests in Austria. Although the net profit figure was in line with analysts' expectations, the underwriting loss was worse than expected. The shares fell by DM62 to close at DM195. The dividend is to be maintained at DM13.50 per share. Earnings per share, calculated according to the method set by the German Association of Financial Analysts (DVFA), fell to DM40.85 in 1991 from DM43.30. *Lex, Page 14*

Chrysler profit lifts US car sector

By Martin Dickson in New York

SHARES in Chrysler, the US car manufacturer, rose sharply yesterday when the company reported stronger-than-expected second quarter results and a return to profitability. Detroit rivals General Motors and Ford also saw their stock rise as Chrysler, the smallest of the three and the first to announce second quarter figures, made optimistic noises about the automotive outlook.

The US industry has spent much of the past two years mired in red ink, due to recession, which slashed demand for cars at a time when growing Japanese manufacturing in the US increased supplies. The result was a price discounting war. However, 1992 has seen a slow recovery in demand.

Chrysler reported net earnings of \$178m, or 54 cents a share, compared with a loss of \$212m, or 95 cents, in the same period of last year. Wall Street had expected earnings around 21 cents a share. Sales and revenues totalled \$9.31bn, up 19.3 per cent from \$7.81bn last year.

Chrysler shares rose 5 1/4% to close at \$21 1/4 on the New York Stock Exchange, where it was the most actively traded issue. The company, which has been financially stretched for the past few years, is in the middle of a series of crucial launches of new models.

The most important of these is the LH series of mid-sized sedans, due out later this year, which has won enthusiastic reviews from the motoring press. Mr Lee Iacocca, chairman, attributed the second quarter figures to particularly strong sales of mini-vans, where Chrysler is the market leader, as well as trucks and jeeps.

He noted that the results were achieved in spite of the launch costs for the new vehicles, and that the company's share of the US car and truck market had risen from 12.4 per cent a year ago to 13.3 per cent.

Mr Iacocca said the economy seemed to be improving and the car market was getting stronger. Chrysler Financial, the group's financial services operation, contributed net earnings of \$49m, down from \$60m, after a \$24m one-time goodwill write-off.

For the six months the group reported net earnings of \$165m, or 46 cents a share, on sales of \$17.5bn, compared with losses of \$810m, or \$3.61 a share, on sales of \$13.66bn in 1991.

Allied-Lyons and Carlsberg proceed with merger

By Philip Rawsthorne in London

ALLIED-LYONS and Carlsberg yesterday indicated that the £510m (\$833m) merger of their UK brewing operations would go ahead after modifications to meet the demands of the Monopolies and Mergers Commission. Nine months after the UK drinks, food and retailing group and the Danish brewer announced their intention to create a new force in the UK beer market, the MMC recommended that the merger should not proceed unless:

- Carlsberg-Tetley, the merged company, undertook not to worsen the terms of beer supplies to Carlsberg's existing customers during the next three years;
- the terms of the supply agreement between Carlsberg-Tetley and Allied's pubs was reduced from seven to five years;
- and Allied amended its tenancy or lease agreements so that its tied pubs would be free after two years to buy up to half their annual lager requirements from suppliers of their own choice.

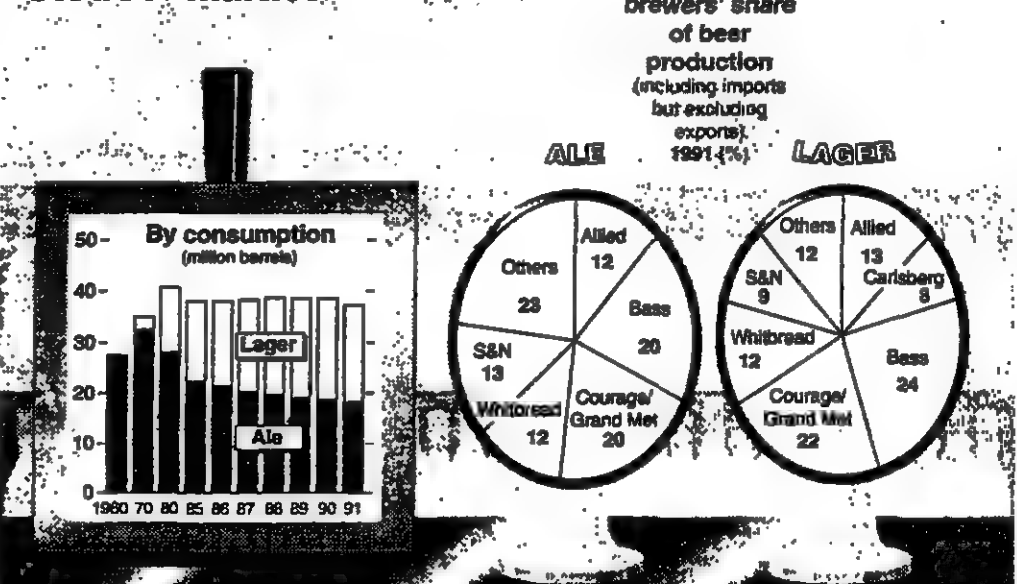
The European Commission, which conducted a separate inquiry, set similar conditions for the merger. Mr Roy Moss, Allied Breweries chairman, and Mr Michael Inui, Carlsberg International's managing director, said: "We are firmly of the view that the proposed joint venture is the best strategy for both companies." The most onerous condition would appear to be Allied's requirement to free its tenants to buy any lager they chose after two years. In practice, however, few pubs would be likely to change brands unless faced with extreme customer dissatisfaction.

The MMC found that the merger would have both positive and detrimental effects on competition in the changing beer market. Carlsberg-Tetley would be a more effective brewer with a better balanced portfolio of brands than Allied and Carlsberg separately, and could compete more vigorously with the two biggest brewers, Bass and Courage. However, the MMC concluded that the merger would increase concentration in the production of lager. Carlsberg-Tetley would have a 21 per cent share of the market and the three largest brewers would account for 87 per cent.

Philip Rawsthorne reviews changes in shares of the beer market since the last orders

Brewers keep their places at the bar

UK beer market



It was suggested to the inquiry that national brewers used their managed houses - where sales are bigger than those of tenanted or free trade pubs - to exercise price leadership. "We were not able to reach any conclusion on this contention," the MMC says. The MMC's view of a chequered competitive background was not shared by Allied and Carlsberg. They argued that the market was now highly competitive and that such pressures would continue to increase.

Allied estimates that the proportion of beer sold through tied estates has fallen from 44 per cent in 1969 to 36 per cent last year and will drop to 29 per cent by the end of this year. There has been a largely corresponding rise in the free pub trade from 37 per cent to a projected 49 per cent; but the take-home trade through supermarkets and off-licences has also grown from 19 per cent to 22 per cent. The take-home trade was dominated by powerful buyers and the growing number of retail chains has achieved strong negotiating positions, Allied argued.

The existence of spare capacity in brewing added to these competitive pressures as brewers vied to increase their sales volumes. But only national brewers had been able to develop and sustain efficient national networks for wholesale distribution of beer. Professor M E Beesley, a member of the MMC, agreed with that view. These significant developments that would continue to shape strategies over the next few years, he said. The only channel for rivalry, he says, is long-term supply agreements. "These are not the

Three years after the introduction of the government's beer orders, the Monopolies and Mergers Commission's overall view is that competition is still weak in large areas of the UK beer market. The latest MMC inquiry also found widespread evidence that wholesale prices of beer to independent retailers have been falling while retail beer prices have risen since 1989. "It seems surprising to us... that retail prices should continue to rise strongly in real terms at a time of economic recession when demand for beer is falling," it said. As a result of previous government directives to the industry, the size of the national brewers' tied pub estates is being reduced but their share of total beer production and sales has been maintained. Grand Metropolitan's exit from the industry has left five brewers controlling 78 per cent of the market.

Their grip on the sales of lager - which the MMC viewed as a distinct product - was even tighter. Together they accounted for 80 per cent of the market, and the strength of nationally advertised brands was putting more pressure on the ability of smaller brewers to compete. Although 19 regional and local brewers still produce their own lager, several have recently withdrawn their brands and are buying a brand from one of the nationals. It is difficult to predict, says the MMC, how the national brewers' share may change in the near future. Three regional brewers - Devonish, Boddington and Greenall - have quit the industry; and guest beers from the remaining regionals have penetrated only a third of the nationalists' tenanted estates. The regionals, however, have been expanding their own pub

chains, giving them greater retailing strength. Independent pub operators have also entered the field but many are tied to the nationals by loans and long-term supply agreements. Loan-tied customers represent 27 per cent of national brewers' sales through pubs against 24 per cent in 1989; and the MMC estimates that supply agreements of more than 12 months with pub retailers account for about 15 per cent of total beer sales by national brewers to the pub trade. Most of that is represented by the Courage/Grand Metropolitan joint venture, approved by the MMC last year. Since then, the Office of Fair Trading has intervened - notably in Allied's arrangements with the Brent Walker Pubmaster estate - to limit supply agreements. Agreements for five to seven years "foreclose areas of the market to competition from other suppliers and add to entry barriers," says the MMC. But national brewers were much better placed than others to compete for even limited supply agreements because of their wide portfolio of beer brands, extensive distribution networks and ability to meet retailers' requirements for drinks other than beer.

The MMC received evidence that real wholesale prices of beer supplied to the free trade, net of discounts, have been falling. Retail prices, by contrast, have continued to rise strongly since 1989. These increases have been ascribed to the continuing investment by national brewers and tenants in improving pub facilities; the need for heavily borrowed independent operators to raise cash; and the shift in demand towards premium beers which has affected average prices.

BaE poised to unveil new strategy for recovery

By Paul Betts, Aerospace Correspondent

MR John Cahill, the new chairman of British Aerospace, is expected to unveil next month his recovery strategy for Britain's biggest manufacturing company aimed at refocusing the group on its profitable core military aircraft and Airbus activities.

Mr Cahill, former BTR chief executive, will make his first public policy statement as BaE's chairman when the company announces its financial results for the first half of its current fiscal year next month, aerospace industry and City of London officials said yesterday.

Refocusing the company on core activities is expected to entail heavy asset write-offs which some analysts believe could amount to around £750m (\$1.43bn) as well as a possible dividend cut. The City of London expects BaE to report a loss in the first half for the whole of 1992. Analysts estimate an operating loss of between £40m and £50m for the full year before provisions. The write-offs, and fears of a dividend cut, depressed BaE's share price a further 10p to 180p, less than half the rights issue price of 380p last winter.

BaE's share price was also hit by a report that the European Commission might require the UK government to recoup interest on \$44.4m of aid to BaE when the company took over the Rover car group in 1988. The EC is expected in September to order BaE to repay the \$44.4m "sweeteners" and possibly interest which it considers illegal state support. Mr Cahill has already introduced stricter disciplines on capital spending and is expected to accelerate efforts to cut the cash

drain from unprofitable or non-core activities. A priority task is the company's loss-making regional jet business for which BaE has been struggling to find international partners. UK industry officials said yesterday the company was increasingly likely to shelve its BaE 146 regional jet programme if it failed to find partners. One hint of the imminent reshaping of the regional aircraft business is the transfer of 146 product support operations to BaE's Airbus division, ensuring continued support if 146 production is shut down.

This announcement appears as a matter of record only July 1992

Century Inns Limited

A company owned by the management and funds advised by Schroder Ventures

£26,500,000
Senior Debt and Working Capital Facilities

Arranged and Underwritten by
National Westminster Bank
Acquisition Finance

Funds Provided by

National Westminster Bank Plc	Bank Mees & Hope N.V.
Crédit Lyonnais	Svenska Handelsbanken

Agent Bank
National Westminster Bank Plc
Acquisition Finance

Syndication Agent
NatWest Capital Markets Limited

National Westminster Bank

INTERNATIONAL COMPANIES AND FINANCE

Tenneco shows sharp improvement

By Martin Dickson
in New York

TENNECO, the Houston-based conglomerate in the throes of restructuring, yesterday reported a sharp improvement in second-quarter profitability and a return to the black by its long-struggling J.I. Case agricultural equipment business.

However, Tenneco warned that poor market conditions would return Case to the red in the third quarter, albeit with lower losses than last year, while the outlook for the fourth quarter was too uncertain to predict.

On Monday Deere & Co., another leading manufacturer of agricultural equipment, said weak retail markets both in the US and abroad meant its

equipment operations would incur a net loss for the final six months.

Tenneco, which has been cutting costs sharply since the arrival of Mr Mike Walsh, its new chief executive, reported net income of \$176m, or \$1.23 a share, compared with a loss of \$14m, or 15 cents, in the second quarter last year. Revenues were unchanged at \$3.4bn.

Some 71 cents of the earnings per share came from continuing operations and 53 cents from discontinued ones - mainly a gain from the sale of the company's mineral operations.

Mr Walsh said despite the problems at Case, the group's outlook for the rest of the year was for continued favourable comparisons with 1991.

Case reported an operating profit of \$11m - its first profit in six quarters - compared with a loss of \$123m a year ago. This was despite a 10 per cent drop in sales revenue.

The company said about 40 per cent of the \$134m positive swing came from cost reduction, 40 per cent from price increases and 20 per cent from other factors. Operating expenses had been reduced by \$45m. Much was due to job cuts which by the end of the year will have lowered Case's headcount to 19,000, from 30,000 at the end of 1990.

However, Tenneco warned that Case's production cuts had not been sufficient to keep up with a year-on-year drop of about 20 per cent in demand, both in the construction and

agricultural equipment markets. As a result, production would now be cut by an additional 9 per cent and this, coupled with earlier production, would mean 1992 production about 20 per cent below 1991.

Tenneco's other businesses also reported improved results: Packaging Corporation of America had operating income of \$59m, up from \$25m; chemicals group Albright & Wilson made \$19m, against \$7m; Tenneco Gas made \$73m, against \$67m; automotive made \$73m, up from \$66m; and the Newport News shipyard was \$1m ahead at \$67m.

In the first half the group made net income of \$211m, or \$1.43 a share, compared with a loss of \$13m, or 18 cents, a year ago.

Special items prop American Express

By Patrick Harverson
in New York

AMERICAN Express has reported that after-tax operating income fell 30 per cent to \$269m during the second quarter following a sharp rise in the cost of promoting and marketing travel services and charge card products.

A series of extraordinary gains and charges, however, meant that Amex's net consolidated income in the April-to-June period totalled \$310m, or 63 cents a share.

The special items during the quarter were a \$425m gain from a public offering of First Data Corporation shares in April, a \$300m after-tax addition to reserves at Balcort, and a previously announced \$84m after-tax charge at securities subsidiary Shearson Lehman Brothers in connection with a reduction in the carrying value of its loan to Prime Computers.

In the second quarter a year ago, Amex's net consolidated income was \$256m, or 53 cents a share. Those figures also reflected a special item - an after-tax charge of \$130m at Shearson related to the write-down of an investment in First Capital Holdings and the scaling down of Boston Company's international lending operations.

The notable feature of Amex's second quarter was the sharp decline in the contribution to group earnings from its travel services division, where net income fell almost 50 per cent to \$124m.

Although revenues were slightly higher, due to a rise in charge card billings and growth in the travel business, marketing and promotion expenses rose, as did provisions for losses on lending products.

General operating expenses were also up, reflecting the growth in the travel business, the cost of card member loyalty programmes and other initiatives designed to strengthen the group's worldwide franchise. Amex warned that its quarterly marketing and promotion expenses for the rest of the year would continue at the high levels of the second quarter.

Shearson reported after-tax operating income of \$68m, down slightly on the \$63m the securities house earned before special charges last year, while IDS Financial Services posted record quarterly profits of \$73m, First Data earned \$31m, and American Express Bank \$19m, all after tax.

Canadian carriers resume merger talks

By Robert Gibbons

CANADA'S two major airlines are resuming merger talks with federal government approval.

Both Air Canada, privatised two years ago, and Canadian Airlines International, owned by PWA Corporation of Calgary, took heavy losses in the first half this year and both are staggering under big debt loads.

They broke off merger talks late last year with acrimony, each saying it would do better linking up with American carriers to achieve greater access to the US market.

However, PWA says its lengthy talks with AMR, parent of American Airlines for an alliance have been terminated. British Airways' acquisition of 31 per cent of USAir for US\$750m last week effectively ended Air Canada's flirtation with the American carrier.

Air Canada chairman, Mr Claude Taylor, said: "Powerful market forces compel carriers to consider all their options and the existing structure of the Canadian airline industry is not viable."

He said the merger talks with PWA would resume this week, and Ottawa "will be monitoring them closely".

New Zealand Post plunges into red

By Terry Hall in Wellington

NEW Zealand Post, the national postal-service operator hit by heavy restructuring costs, yesterday reported attributable losses of NZ\$2.3m for the year to March 31, compared with profits of NZ\$30.03m (US\$16.4m) a year earlier.

The company, whose directors expect it to be offered for sale early in 1993, reported net profits of NZ\$3.37m down from NZ\$27.46m, after restructuring costs of NZ\$44.09m.

Thomson-CSF leaves Loral as sole buyer of LTV unit

By George Graham in Washington

THOMSON-CSF, the French state-controlled defence electronics group, yesterday pulled out of a planned deal to buy a stake in the missiles division of LTV of the US.

Loral, a New York-based defence electronics manufacturer which last week announced plans to buy the LTV missiles unit with Thomson as a minority partner, said yesterday it planned to go ahead with the purchase on its own at a price of not more than \$540m.

Thomson had originally planned to acquire the whole missiles division from LTV, with Carlyle Group, a Washington DC investment bank, taking the aircraft unit. The French group had to back down in the face of a hostile reception in the US Congress and defence department, and a restructured deal was announced last week in which Loral would take control of the division with Thomson taking a minority stake.

Thomson yesterday refused to comment on its withdrawal, except to say it regarded its original deal with LTV, which is under the supervision of a bankruptcy court, as "having been terminated".

Loral, however, said it had been unable to satisfy Thomson's demands for a greater participation, including a seat on the board. It added that it expected the deal to boost its earnings by 40 cents a share.

Thomson's hopes of entering the US missiles market through the purchase ran into the opposition of Lockheed and Martin Marietta, two leading US defence companies, which together had hoped to buy the LTV operations.

In repeated congressional hearings Thomson was lambasted as the tool of a sinister French conspiracy to take over the world defence industry. Senators complained that US defence secrets would be siphoned overseas, and US defence companies damaged by unfair competition from a state-owned rival.

The initial Thomson offer

was withdrawn when it became plain that it would be rejected by the committee on foreign investment in the US, a body chaired by the US Treasury which rules on foreign acquisitions of companies in sensitive technology areas.

Loral yesterday reported first-quarter net income of \$29m, or 95 cents a share, against \$22.4m, or 83 cents a year earlier. Karen Zager reports from New York. Sales were slightly higher, at \$681m compared with \$677m.

Operating income for the three months to June 31 rose 7 per cent to \$68.8m from \$64.1m. Bookings stood at \$502m in the latest quarter against \$492m last year, while Loral's backlog slipped 8 per cent to \$2.73bn from \$2.98bn.

Mr Bernard Schwartz, Loral's chairman and chief executive, said the company expected "income, bookings, sales and margins to accelerate as the year progresses, with double digit per share earnings increase for the year, without acquisitions".

Earnings of Japan's brewers fall

By Emiko Terazono in Tokyo

BRISK sales of beer and soft drinks helped two leading Japanese brewers, Asahi and Sapporo, lift unconsolidated sales for the six months to June.

However, the companies reported lower pre-tax profits due to a fall in interest on investments.

While Japanese brewers are known for introducing new products and bright packaging, Asahi, which launched "dry beer" in 1987, said focusing on traditional labels had helped beer sales rise 6.5 per cent to ¥294.4bn (\$2.35bn). Sapporo's beer sales meanwhile rose 2 per cent to ¥222.3bn.

Asahi's operating profits rose 3.1 times to ¥18.3bn and Sapporo's 2.4 times to ¥7.3bn, thanks to rationalisation of their operations. However, a fall in interest received from bank deposits squeezed profits

JAPANESE BREWERS					
Company	Revenue (¥bn)	% change	Pre-tax profit (¥bn)	% change	Net profit change
Asahi	357.2	8.6	7.9	-6.5	3.1
Sapporo	246.8	2.7	4.5	-22.6	2.1

at the pre-tax level.

In the 1980s many Japanese corporations generated profits by issuing commercial paper, and investing the funds in deposits and the money markets. However, companies now face difficulties in gaining profits from such transactions, as interest rates fall and Japanese banks are reluctant to underwrite commercial paper.

Meanwhile, losses on securities holdings, following the Tokyo market's slide, totalled ¥29.7bn at Asahi and ¥10bn at Sapporo.

Asahi's non-operating profits fell 61.5 per cent and Sapporo's by 87.6 per cent.

For 1992 Asahi expects pre-tax profits to fall 11.2 per cent to ¥15.5bn on a 6.3 per cent rise in sales to ¥785bn, while Sapporo forecasts a 6.2 per cent decline in pre-tax profits to ¥8.5bn on a 4.1 per cent rise in sales to ¥555bn.

Asahi Breweries yesterday announced that Mr Yuzo Seto, vice-president, becomes president from September 1, succeeding Mr Yotaro Higuchi who takes over as chairman.

Asahi Glass pre-tax profits down

By Gordon Cramb in Tokyo

ASAHI GLASS, Japan's leading glassmaker, yesterday disclosed a one-third fall in interim pre-tax profits to ¥22.7bn (\$181.6m) from ¥33.9bn, and revised sharply downward its forecasts for the full year.

In a gloomy commentary accompanying the results, it said a decline in consumer spending and a tighter rein on capital investment by manufacturers, meant the Japanese economy began to take on aspects of a business recession.

Citing a production slow-

down in the automotive industry and dull domestic demand for television sets, two main markets the company supplies, it said circumstances were "harsh" and the outlook "does not allow much room for optimism."

Asahi Glass is projecting pre-tax profits of ¥48bn for 1992 as a whole, down 20.2 per cent from the previous year. Until yesterday it had been forecasting a modest 2.9 per cent rise to ¥57bn.

Sales for the first half to June dipped 2.2 per cent to ¥487.5bn but are expected by the company to edge 0.8 per cent ahead to reach ¥1,030bn

for the full year. The previous forecast was for ¥1,060bn in revenues.

Glass and construction materials, which account for half its total business, showed sluggish sales.

The company benefited from a 6.3 per cent rise in non-operating income to ¥14.6bn and a 16.4 per cent drop in its interest bill to ¥3.6bn.

As planned, the interim dividend of ¥5 a share includes a ¥0.5 payment to commemorate its 55th anniversary. It is being paid from net earnings per share of ¥10.48, down from ¥17.14 last time when the payout was ¥4.5.

Telmex makes sound first-half headway

By Damian Fraser in Mexico City

TELEFONOS de Mexico (Telmex), Mexico's monopoly telecommunications company, yesterday reported net profits of 3,638m pesos (\$116m) for the first half to June, up 5.4 per cent on the same period last year.

Operating income advanced to 4,297m pesos, representing a 12.7 per cent increase in real terms.

This was struck after extraordinary losses in the second quarter of about 192bn

pesos covering pension fund contributions and provisions for obsolete inventory. If the extraordinary losses are excluded, the underlying increase in operating income was 22.5 per cent, said Mr Robert Morris of Goldman Sachs, San Francisco.

Second-quarter earnings per American depositary receipt (ADR) were \$1.03. But excluding the extraordinary losses, and an estimated \$70m loss on Telmex's non-dollar debt in the second quarter, earnings per ADR rose to \$1.24, according to Mr Morris.

Telmex added 328,000 new telephone lines in the first half. Lines in service in the second quarter were up 14.6 per cent, while margins, at 43.9 per cent, were flat.

Vitro, Mexico's largest industrial conglomerate, reported net profits of 339,000 pesos (\$106m) in the first half, practically unchanged from the same period last year.

Mr Ernesto Martens, chief executive, blamed the poor results on the US recession, the strong peso, and low international prices on glass goods.



República Oriental del Uruguay

acting through Banco Central del Uruguay
as its financial agent

US\$100,000,000

8.25% Bonds due 1995

International offering

J.P. Morgan Securities Ltd.

Bankers Trust International PLC
Chase Investment BankABN AMRO Bank N.V.
Banque Indosuez
Deutsch-Südamerikanische Bank AG
Merrill Lynch International LimitedBear Stearns International Limited
Swiss Bank CorporationBanco Santander
Citicorp Investment Bank Limited
Lehman Brothers International
Samuel Montagu & Co. LimitedU.S. private placement
J.P. Morgan Securities Inc.

JPMorgan

June 1992

THE GAN GROUP

A stock split subsequent to an increase in par value by incorporation of reserves

At the Board Meeting of Société Centrale du GAN on June 22, 1992, presided over by the Chairman, M. François HEILBRONNER, it was decided:

■ to increase the 11,076,867 outstanding shares' par value from FF 37 to FF 40. The necessary powers were given to the Board by the resolution of the Extraordinary General Meeting on February 23, 1990, which authorised an increase in the share capital from FF 409,844,079 to FF 443,074,680 by incorporation of reserves;

■ to subsequently reduce the par value of the company's shares from FF 40 to FF 10, thereby increasing the number of shares outstanding by a multiple of four. Four new shares will be exchanged against one old share. Authority for the stock split was given to the Board by the resolution of the Extraordinary General Meeting on June 19, 1992. This operation will be implemented automatically by Sicovam (the French clearing system) on August 3, 1992 by multiplying by four the number of shares held on members' accounts at the close of business on July 31, 1992.

Subsequent to the capital increase and the stock split, the exercise parity of the equity warrants, issued at the time of the capital increase on July 12, 1990, will be adjusted on August 3, 1992 to four shares of FF 10 par value in exchange for two equity warrants with an unchanged exercise price of FF 2,150.

On August 3, 1992, the 44,307,468 shares of FF 10 par value will be officially registered with the Cote Officielle (Official Listing) of the Paris stock exchange on the forward market (Sicovam code 12593, heading GAN), and will replace the present 11,076,867 shares of FF 37 par value.



Europe's largest banking and insurance Group

INTERNATIONAL COMPANIES AND FINANCE

Stevens to quit top job at Invesco

By Robert Poole in London

LORD STEVENS is stepping down as chief executive of Invesco MIM, the UK fund management group, after pressure from the group's non-executive directors.

However, he will stay on as chairman until the group's annual meeting next April. In the meantime, the group, which manages more than \$30bn (£37.3bn) of funds, will search for a new chairman from candidates outside the group.

The departure of Lord Stevens, who for 20 years has been a prominent figure in the City of London, was approved by a board meeting on Monday. It was under negotiation for the previous "week or two", according to a board member, and was first discussed three or four months ago.

Lord Stevens is also chairman of United Newspapers, owners of the Daily Express, and of Alexander Proudfoot, the management consultant. An Invesco director said there were three main reasons for Lord Stevens' resignation:

- The poor performance of Drayton Consolidated, an investment trust managed by Invesco and also chaired by Lord Stevens;
- The board's view that the role of chairman and chief executive at Invesco should be split;
- The adverse publicity which the group had attracted for its role as a manager of Maxwell pension funds. This publicity may have been damaging Invesco's relationship with clients, the director said.

IMRO, the self-regulatory organisation of pension fund managers, is investigating Invesco's role as a manager of Maxwell funds. However, the director said that there was "no hint of impropriety with regard to Maxwell".

Lord Stevens is staying on for now as chairman of Invesco as a demonstration of the board's confidence that it has nothing to fear from the IMRO investigation.

Renault and Peugeot plan to develop electric car

By William Dawkins in Paris

RENAULT and Peugeot, the French carmakers, yesterday announced a co-operation accord to help the development of electric cars over the next three years.

They have agreed to set up battery recharging points, servicing and maintenance for electric cars in at least 10 French cities, with the help of a FF500m (£89.09m) government research grant, of which FF300m is for this project.

Electric cars, produced in very small numbers in France, have a future as second cars for short journeys, said Mrs Segolène Royal, environment minister.

Around half of every car journey made in France is less than 3km and second cars

travel on average less than 40km per week, the ideal range for electric vehicles, she said.

France's plentiful supplies of low-cost nuclear-generated electricity provided a good environment for electric cars, said Mr Dominique Strauss-Kahn, industry minister.

The aim is to build a compatible infrastructure to support Peugeot's and Renault's separate ranges of electric cars by the time they come into commercial production, Peugeot estimates there will be a European market for at least 200,000 electric cars a year by the end of the decade.

Peugeot and its sister company Citroën over the past three years have sold 300 small commercial vans, conventional models converted to electric power, mostly to local authorities.

It plans to launch an adapted electric Peugeot 105 hatchback and a Citroën AX in 1995, 80 of which will go on trial at La Rochelle.

Renault also has a pilot range of electric vans, based on a six-year test by local authorities in Châtelleraut, south-west France. These are due for commercial sale next year and Renault is planning to sell an adapted electric Clio hatchback from 1994.

Further ahead, it is working on two purpose designed electric cars, as distinct from converted models. These are the Elégie, designed for short-range city use, for possible sale from 1995, and the Vert, with both petrol and electric engines for longer journeys, for possible sale at the end of the decade.

EC to seek Ecu500m in syndicated loans market

By Sara Webb in London

THE European Community is poised to tap the international syndicated loans market for the first time in nearly a decade with a three-year Ecu500m (£675m) facility. The proceeds will finance imports of agricultural and medical products by the republics which formerly made up the Soviet Union.

The EC is expected to award the mandate to a European bank this week. Deutsche Bank and National Westminster Bank are among those which have bid for the position of lead manager, although Banque Nationale de Paris and Société Générale have been mentioned as contenders.

The EC traditionally prefers to borrow in the international bond markets - where it can fund at below the London interbank offered rate (Libor) - rather than the international syndicated loans market where pricing is much higher.

An EC official stressed that in the case of funding exports to former Soviet republics, the EC had chosen a syndicated loan "because it gives us flexibility to choose the date of drawing the funds."

"In this case we will need a lengthy draw-down period which would be difficult to arrange with a bond where we would have to take the funds and then be exposed to an interest rate risk."

The EC last tapped the international syndicated loans market in 1983 with a £1.24bn term loan. Last November it provided a guarantee for 98 per cent of an Ecu500m loan to the Bank for Foreign Economic Affairs of the USSR, arranged by Deutsche Bank.

The financing covered food exports from the EC to Russia and the margin was 60 basis points over Libor, with "generous fees," Deutsche Bank said.

However, bankers say the latest loan will be much more tightly priced given that the actual borrower is the EC, a triple-A rated name which is zero-risk weighted for capital adequacy purposes.

Bull registers FF1.68bn loss on high debt charges

By William Dawkins in Paris

BULL, the French state-owned computer maker, yesterday reported a slightly worse than expected FF1.68bn (£336m) loss for the first half of the year, burdened by high debt charges and the continued decline in its main markets.

The loss compares with the FF1.5bn forecast given by former chairman Mr Francis Lorient last month, half of which was financing charges. However, this is a 13.4 per cent improvement on the FF1.94bn net deficit in the same period of 1991.

The operating loss decreased in the second quarter, for the sixth consecutive three

monthly period, said a Bull official. Operating losses were FF657m in the first six months of this year, a FF435m improvement on the FF1.09bn operating loss in the first half of 1991. Sales fell by 9.2 per cent from FF15.2bn to FF13.8bn over the period.

Bull attributed the improvement to the reduction in costs through its restructuring plan, under which it has announced a 30 per cent cut in its workforce and the closure of seven of its 13 plants. It is on track to meet its target of breaking even at the operating level by the end of this year, said an official.

The company's interest charges are also likely to fall,

thanks to a FF4bn injection of capital from the French government, recently approved by the European Commission, to the irritation of the UK Government which believes this will distort free competition.

The results place Bull roughly in the lower middle range of leading computer companies' recent performance. Digital Equipment last week revealed a first-quarter loss of \$1.85bn, most of which was restructuring charges, while IBM revealed disappointing profits, sending its share price into a decline. Compaq, by contrast, reported a 43 per cent jump in second-quarter earnings, after slashing its prices.

Earnings up at Placer Pacific

By Kevin Brown in Sydney

PLACER Pacific, the Australian gold mining group, yesterday said net earnings for the half year to June were A\$34m (£25.3m) against A\$24m (£17.5m) in the first half of 1991. It said all the main mines it has an interest in met production targets.

Placer, which is 75.8 per cent owned by Placer Dome of Canada, said production from the five top mines climbed to 1.19m oz, of which its share totalled

more than 320,000 oz.

The average price fell to A\$505 per oz from A\$524 in the same period last year. Tight controls on production, costs to A\$216 an oz from A\$258.

• Newcrest Mining, another Australian gold miner, said higher metal prices and productivity helped it recover from a poor first quarter, although net profits for the June half were down 9 per cent to A\$23m.

Sales for the half were A\$200m against A\$192m. Gold

production was 13.1 per cent higher at 371,083 oz. Costs per oz sold were lower at A\$379, down from A\$388.

Mr John Quinn, managing director, said the company performed strongly in the second quarter.

• Poseidon Gold, part of the Normandy Poseidon group of Mr Robert Champion de Crespigny, said acceptances for its offer for Mount Leyshon Gold Mines exceeded expectations. It now holds 75.6 per cent of the stock.

Samba posts 30% improvement

By Mark Nicholson, Middle East Correspondent

SAUDI American Bank (Samba), the joint-venture Saudi Arabian bank 30 per cent owned by Citicorp, has announced a 48 per cent rise in first-half earnings to \$119.9m over last year's figure.

Saudi Arabia's biggest joint venture bank said it had increased earnings in treasury, corporate lending and retail operations. Samba said that it expected a considerable

improvement on last year's record earnings of \$300.5m.

Deposits grew by 19.3 per cent to \$7.5bn, reflecting a gain in market share in the buoyant Saudi market. Most Saudi banks have reported increased deposits since the end of the Gulf War last year. Net loans

and advances grew by 24.4 per cent to \$2.5bn. The bank made a \$4.5m transfer to loan loss reserves, a 31.3 per cent fall on equivalent figures last year.

• The Bahrain-based offshore Gulf International Bank (GIB) reported a 26.7 per cent rise in first-half earnings to \$25.8m over last year. Assets rose to \$6.2bn from \$5.9bn, while deposits were up over the six months to \$5.6bn from \$5.3bn.

GIB, formerly owned by six Gulf governments (Saudi Arabia, Kuwait, the Abu Dhabi Investment Authority, Bahrain, Oman, Qatar) and Iraq, earlier this year shed its Iraqi holding and was effectively taken over by the Gulf Investment Corporation, which is owned by the six Gulf states.

COMPANY NOTICES

BRADFORD & BINGLEY

Floating Rate Notes

Due January 1993

In accordance with the terms and conditions of the Notes, the interest rate for the period 28th July 1992 to 28th October 1992 has been fixed at 10.52084% per annum. The interest payable on 28th October 1992 against Coupon 3 will be £294.46 per £10,000 nominal.

Agent Bank: ROYAL BANK OF CANADA

THE INDEPENDENT ACT 1981

RESCOLD OVERSEAS ESTATES LIMITED

NOTICE IS HEREBY GIVEN that a meeting of the shareholders of the company will be held at the offices of the company, 100 City Road, London EC1Y 1AU, on 21st July 1992 at 10.00 a.m. and 4.00 p.m. for the purpose of considering and voting on the resolution proposed in the notice of meeting.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

The resolution proposed is that the company should be wound up and the assets of the company should be sold and the proceeds of the sale should be distributed to the shareholders of the company.

THE BANK OF NEW YORK

is pleased to announce the establishment of a

SPONSORED AMERICAN DEPOSITORY RECEIPT (ADR) FACILITY

for



THE BANK OF NEW YORK

For further information regarding The Bank of New York's ADR Services, please contact Kenneth A. Lopian in New York (212) 815-2084, Michael McAuliffe in London (071) 322-6336 or Rainer Wunderlin in Frankfurt (49-69) 7141-226.

RESERVE BANK OF ZIMBABWE

US \$45,000,000 Tobacco Finance Facility

Under the Guarantee of The Government of Zimbabwe

Arranged by

ABN AMRO Bank N.V.

Bankers Trust Company

Participants

ABN AMRO Bank N.V.

Bankers Trust Company

Credit Suisse

Rabobank Nederland

Internationale Nederlanden Bank N.V.

Raiffeisen Zentralbank Österreich Aktiengesellschaft (RZB - Austria)

ANZ Grindlays Bank plc

Crédit Lyonnais

Banco Exterior Internacional S.A.

Banque Française du Commerce Extérieur

Banque Indosuez

EFAG Export Finance Company Ltd.

National Westminster Bank Plc

Agent

ABN-AMRO Bank

July, 1992

Wells Fargo & Company

Floating rate subordinated notes due January 1994

In accordance with the provisions of the notes, notice is hereby given that for the interest period 27 July, 1992 to 26 October, 1992 the notes will carry an interest rate of 10.375% per annum. Interest payable on the relevant interest payment date 26 October, 1992 will amount to \$128.98 per \$5,000 note.

Agent Morgan Guaranty Trust Company

JPMorgan

PAKISTAN

The FT proposes to publish this survey on September 11 1992.

It will be of particular interest to the 92% of professional investors in Europe who regularly read the FT.

If you want to reach this important audience, call

Louise Hunter

Tel: 071-873 3238

Fax: 071-873 3595

Data source: The Professional Investor Worldwide 1991

FT SURVEYS

MITSUBISHI FUDOSAN CO., LTD.

YEN 30,000,000,000 FLOATING RATE NOTES DUE NOVEMBER 1997

Notice is hereby given that for the interest period from 29 July 1992 to 6 November 1992 the rate of interest will be 4.420% per annum. The interest payable on the 6 November 1992 will be Yen 121,095 per each YEN 10,000,000. Note.

Agent Bank: The Mitsui Trust and Banking Co., Ltd., London

ECU 300,000,000 Kingdom of Belgium Floating Rate Notes due 2000

For the period from July 20, 1992 to October 20, 1992 the Notes will carry an interest rate of 10.75% per annum with an interest amount of ECU 2,808.12 per ECU 100,000 Note.

The relevant interest payment date will be October 20, 1992.

Agent Bank: Banque Paribas Luxembourg Société Anonyme

FLY SAS STAY FREE

Fly SAS EuroClass to Scandinavia/Finland and your first night's stay in an SAS International Hotel will be FREE... with up to five subsequent nights at only HALF-PRICE.

For full details contact your Travel Agent or SAS 1 (London 071 734 4833), SAS Manchester 061 470 1447, SAS Aberdeen 0224 770220

SAS

NOTICE OF REDEMPTION ALLCO INTERNATIONAL LIMITED

Guaranteed Floating Rate Notes 1995

In accordance with the Terms and Conditions of the Notes, notice is hereby given that for the interest period from July 27, 1992 to January 27, 1993 the Notes will carry an interest rate of 4.075% per annum. The interest amount payable on the relevant interest payment date, January 27, 1993 will be US\$ 2,082.78 per US\$ 100,000 denomination.

The Agent Bank: Kreditbank Luxembourg

The Agent Bank: Kreditbank Luxembourg

The Agent Bank: Kreditbank Luxembourg

The Agent Bank: Kreditbank Luxembourg

The Agent Bank: Kreditbank Luxembourg

The Agent Bank: Kreditbank Luxembourg

The Agent Bank: Kreditbank Luxembourg

The Agent Bank: Kreditbank Luxembourg

The Agent Bank: Kreditbank Luxembourg

The Agent Bank: Kreditbank Luxembourg

The Agent Bank: Kreditbank Luxembourg

The Agent Bank: Kreditbank Luxembourg

The Agent Bank: Kreditbank Luxembourg

The Agent Bank: Kreditbank Luxembourg

The Agent Bank: Kreditbank Luxembourg

GPA Investments B.V.

US\$ 20,000,000 Guaranteed Floating Rate Notes due 1995

Guaranteed by GPA Group plc

In accordance with the Terms and Conditions of the Notes, notice is hereby given that for the interest period from July 27, 1992 to January 27, 1993 the Notes will carry an interest rate of 4.075% per annum. The interest amount payable on the relevant interest payment date, January 27, 1993 will be US\$ 2,082.78 per US\$ 100,000 denomination.

The Agent Bank: Kreditbank Luxembourg

The Agent Bank: Kreditbank Luxembourg

The Agent Bank: Kreditbank Luxembourg

The Agent Bank: Kreditbank Luxembourg

The Agent Bank: Kreditbank Luxembourg

The Agent Bank: Kreditbank Luxembourg

The Agent Bank: Kreditbank Luxembourg

The Agent Bank: Kreditbank Luxembourg

The Agent Bank: Kreditbank Luxembourg

The Agent Bank: Kreditbank Luxembourg

The Agent Bank: Kreditbank Luxembourg

The Agent Bank: Kreditbank Luxembourg

The Agent Bank: Kreditbank Luxembourg

The Agent Bank: Kreditbank Luxembourg

INTERNATIONAL CAPITAL MARKETS

US Treasuries rise on consumer report

By Patrick Haveron in New York and Sara Webb in London

LONGER-DATED US Treasury bonds rose sharply yesterday on news of a July consumer confidence report that was much weaker than expected.

GOVERNMENT BONDS

mark 30-year government bond was up 1/4 at 106 1/4, to yield 7.427 per cent. The two-year note was slightly firmer, up 1/4 at 101 1/4, yielding 4.194 per cent. The news that sparked the buying was the Conference Board's consumer confidence index for July, which fell to 61.0 from 72.6 in June. Most analysts had been expecting a slight decline in the index. Most of the activity was concentrated at the long end of the market, which in recent weeks has lagged behind shorter-dated maturities. However, in the past few days, the long bond has bounced back and is favoured by investors.

The short end of the market

was held back by the auction of \$15bn in two-year notes. The sale was completed successfully at an average yield of 4.29 per cent, the lowest recorded at a two-year auction.

JAPANESE government bonds rallied, driven by good domestic demand as investors continued to pin their hopes on lower interest rates.

In spite of the half percentage point cut in the Official Discount Rate to 3.25 per cent on Monday, dealers said that market participants expected the weak state of the Japanese economy to prompt a further cut in interest rates within the next few months.

The benchmark No 139, which opened with a yield of 4.965 per cent, climbed steadily to yield 4.90 per cent by the close of trading in Tokyo. The September futures ended at 104.87, against its close of 104.89 on Monday.

Money market rates continued to edge lower with the call rate slipping from 4 1/4 per cent to 4 1/8 per cent, while three-month certificates of deposit traded at 4.03 per cent, against 4.04 per cent on Monday.

SPANISH government bonds rallied on foreign and domestic buying, partly due to concern that there may be little interest in this week's auction of debt. Dealers warned that the recent large decline in Spanish government bond prices could deter investors from bidding at the regular auction of three, five and 10-year paper.

"People are expecting a deserted auction - if investors don't participate in the auction, there may not be the usual amount of supply and this fear of a shortage of new supply has helped to push up bond prices temporarily," said one dealer.

The yield on 10-year bonds fell from 12.18 per cent to 12.05 per cent, while five-year bonds saw a fall in yield from 13.01 per cent to 12.87 per cent.

GERMANY'S government bond market drifted lower in light trading as dealers warned that the market was waiting for news from the Bundesbank council meeting in early August.

The favourable inflation figures released yesterday fell within the market's expectations.

BENCHMARK GOVERNMENT BONDS

	Coupon	Red Date	Price	Change	Yield	Week ago	Month ago
AUSTRALIA	10.000	10/02	105.993	+0.313	8.53	8.71	8.74
BELGIUM	8.000	06/01	100.200	+0.080	8.96	8.96	8.91
CANADA*	8.500	04/02	107.030	+0.700	7.47	7.50	8.14
DEMARP	9.000	10/02	96.000	-0.150	9.34	9.26	9.01
FRANCE	8.500	09/02	96.591	-0.070	9.42	9.28	9.06
STAN OAT	8.500	10/02	96.591	-0.070	9.42	9.28	9.06
GERMANY	9.000	06/02	90.390	-0.015	9.08	8.99	8.77
ITALY	12.000	05/02	92.240	+0.035	13.69	13.91	13.61
JAPAN	N 119	06/01	96.821	+0.000	8.08	8.28	8.43
N 129	6.400	03/02	108.373	+0.500	8.00	8.12	8.55
NETHERLANDS	8.250	03/02	96.000	-0.050	9.36	9.40	9.35
SPAIN	11.300	01/02	94.220	+0.750	12.27	12.34	12.41
UK GILTS	10.000	11/06	102.04	-0.332	9.37	9.32	9.24
8.000	09/02	104.07	-0.042	8.91	8.90	8.71	
7.750	08/02	106.10	-0.037	8.81	8.80	8.61	
LIB TREASURY	8.000	11/21	106.20	+0.332	7.43	7.98	7.77
ECU (French Govt)	8.500	03/02	94.360	+0.150	9.40	9.37	8.95

COMPANY NEWS: UK

Greene King declines slightly to £21.9m

By Maggie Urry

MR SIMON REDMAN, chairman of Greene King, the Suffolk-based brewer, yesterday spelt out the costly legacy of its £104m bid for Morland, its Oxfordshire rival, which failed last week. He was speaking after reporting a slight fall in pre-tax profits to £21.9m in the year to May 3.

Greene King launched its bid for Morland in June and holds a 29.3 per cent stake, bought at a cost of £38m or 450p a share. Morland shares closed unchanged at 418p, and Greene King's fell 1p to 474p.

Mr Redman said the yield on Morland shares at 450p was 2.5 per cent and the annual carrying cost of the stake would be £2.5m. The costs of the bid would be reflected in an extraordinary charge of £3m in

the current year's accounts. The cost of buying the Morland shares lifted the group's debt to £75m and its gearing to about 38 per cent against 27 per cent at the previous year end.

Mr Redman said another bid for Morland did not appear attractive, but would depend on conditions in a year's time when the group would be free under takeover rules to rebid.

Analysts said it was unlikely Greene King could sell its stake in Morland, except at a large loss, as other companies would be unlikely to try a bid where Greene King had failed.

Mr Redman said he was now looking to expand the business organically. The company has 825 pubs giving it plenty of headroom to expand.

The announcement of the group's results had been

delayed until the Morland bid closed. Pre-tax profits fell to £21.9m from £22.1m in the previous 53 week period.

Mr Redman said trading conditions had been "extremely tough", but Greene King's beer sales by volume fell only 3 per cent compared to a 10 per cent fall in the market in the south-east as a whole.

Group sales improved 1.8 per cent to £128.6m, and trading profits rose 9.5 per cent to £25.3m, despite an increase in bad debts from £1m to £1.8m. The group's properties were revalued and showed an £11.6m surplus over the valuation five years earlier.

The net interest charge was £5.5m (£4.9m). Property profits fell from £3m to £2.2m. Earnings per share were 40.1p, up 5 per cent, while a final dividend of 8.1p takes the total to 11.5p.



Simon Redman: looking to expand the group organically

Allied Textile outperforms sector with £5.2m

By Peter Pearce

PRE-TAX PROFITS at Allied Textile Companies, the Yorkshire-based wool group, slipped to £5.2m in the six months to March 31.

Last time's reported result was £5.31m but was restated to £6.51m to comply with new accounting policies adopted on current and fixed asset investments valued at market value rather than at cost.

Mr Gerald Wightman, finance director, said textile profits were "down marginally in the half", though he pointed out that competitors in the sector had been reporting losses or sharp downturns.

He ascribed Allied's relative immunity to the sector malaise to "the more realistic approach of our management" and the fact that "we have a wider spread than most".

Carpets, he said, did less well than last time, tied to housing and construction, was poor and the Blackburn factory was closed.

On the contract side, pub and club refurbishment was stalled by monopoly deliberations, he said, but bespoke carpets - for the likes of the Dorchester Hotel in London and luxury liners Cunard Princess and Sea Countess - had done well.

Nylon fabrics, boosted last year by Ministry of Defence orders for sand-coloured camouflage netting, had returned to the levels of two years ago, but materials for uniforms and corporate clothing did well, especially in the export market.

Fully fashioned knitwear had seen an upturn, as competitors had gone under and knitwear became more fashionable.

The company derives about one third of its profits from investments.

It has maintained its cash pile at about £17m and Mr Wightman expected that to remain the case until the year-end, by which time the company would have incurred about £5m capital expenditure.

The sale of properties has slowed to a crawl - in 1990 disposals earned some £4m, in 1991 a mere £71,000, and in the period under review "just a few thousand".

Turnover rose to £63m (£59m). Earnings per share slipped to 12.38p (12.81p as reported and 15.71p restated). The interim dividend is lifted from 4.4p to 4.5p.

Shandwick in the black but omits pay-out

By Andrew Bolger

SHANDWICK, one of the world's biggest public relations companies, is passing its interim dividend in spite of returning to the black in the six months to April 30.

Pre-tax profits of £1.54m were well down on the £3.12m made in the six months to January 1991, the nearest comparable period after a change in year-end.

However, they are a considerable improvement on the plunge into losses of £1.44m for the 15 months to last October.

When those losses were flagged in December, Shandwick's share price dropped from 125p to 52½p. Yesterday they closed 1p lower at 11p, valuing the group at less than £10m.

Turnover was £79.1m (£75.6m). Profits were struck after an exceptional charge of £308,000, relating to part of the costs of refinancing earlier this year, and interest payments of £2.81m (£2m). The full refinancing costs of £1.7m will be taken as an exceptional charge at the end of the current year.

Mr Peter Gummer, chairman and chief executive, said: "The economic conditions in which our clients trade throughout the world remain extremely poor and show little or no sign of improvement."

The group has negotiated banking facilities totalling £65m until next March, which it said were sufficient for forecast needs. At April 30 net debt stood at £58.3m, an increase of £8m in the half-year. Net debt is expected to peak at £60m by the year-end, and to decrease thereafter.

The group has a £987,000 loan outstanding to its Employee Share Ownership Plan, secured by shares which are currently worth only £109,000. The board said it would review the need for any write-down on this loan at the year-end.

Shandwick, which grew rapidly through acquisitions in the 1980s, made acquisition-related payments of £6.2m in the half-year, with a further £3m payable in the second half.

Staff numbers have been reduced by 15 per cent from more than 2,200 in January last year to 1,870 at present.

The group said it had been profitable, after central costs and interest, every month since last December.

Although, for the first time in its history, operating income declined slightly, the resilience of the income stream was in large part because some 70 per cent of fees came from existing clients.

Earnings for the period were 0.9p (8.4p) per share.

Auditors to resist ADT writ strongly

By Andrew Jack

BINDER HAMLIN, the accountancy firm, yesterday vigorously defended itself against a writ issued by ADT, the Bermuda-based security and car auction company, in connection with the company's £110m takeover of Britannia Security Group.

Mr John Norton, Binder's managing partner, who said he had not yet seen the writ but knew it had been issued, said:

"We will be resisting it very strongly."

The writ accuses Binders of negligent misrepresentation in its role as auditors to Britannia prior to the takeover of the company by ADT in January 1990.

Binders approved the company's accounts, and is also believed to have held a meeting with ADT as part of the due diligence which took place before the acquisition was agreed.

When a more detailed statement of claims is issued to back up the writ, it is likely to press for damages of up to £75m (£146m). This represents the total value of goodwill written off after the acquisition, as shown in ADT's 1991 annual accounts.

The report showed that a review of Britannia's businesses showed certain assets, particularly subscriber systems installed at customer premises had been included in the

accounts "at values materially in excess of their net realisable value".

Mr David Hammond, ADT's deputy chairman, said the company is continuing to take professional advice on all aspects of the acquisition.

He did not rule out legal action against others who were involved, but said it would not cover the company's own advisers at the time of the takeover.

Harland Simon acts to reassure shareholders

By Peggy Hollinger

HARLAND SIMON, the loss-making controls systems group, yesterday acted to reassure nervous investors who have seen the share price plunge from 583p in February to last night's 15p.

The company said recent press comment had prompted clarification of its trading status. "The core businesses... are fundamentally sound and capable of trading profitably", it said. Progress was being made on the disposal of peripheral businesses, Vickers, Contraves, Pro-Aqua and NIP.

The company also responded to reports of investor unrest over Harland's relationship with PIL, a loss-making information network company.

Harland's pension fund has come under fire for a £500,000 investment in PIL. Harland has repaid the money to the pension fund.

Harland stressed that shares held by Sandford Establishments in PIL had at no time been held for the benefit of a director of Harland, or a company in the group.

The company said it had tried to obtain information about the beneficial ownership of the shares, but without success. "The board has always believed that beneficial ownership was with Oerlikon Bührle," the statement said.

The group added that its investment in PIL would not be long-term. Harland holds 63 per cent of the information network company.

Earlier this month, Harland announced pre-tax losses of £5.32m for the year to March 31, compared with profits of £9.88m.

ML Laboratories seeks £15.8m via rights issue

ML LABORATORIES, the USM-quoted company which is researching treatments for AIDS and kidney patients, is raising £15.8m through a 1-for-10 rights issue of 2.69m shares at 580p apiece.

Proceeds will be used to fund construction of a manufacturing plant to produce its glucose polymer for use in the treatment of patients suffering

from kidney failure. The shares yesterday fell by 28p to 735p.

The rights issue is fully underwritten by Hoare Govett Corporate Finance who together with Panmure Gordon are brokers to the issue.

ML's losses trebled to £460,000 in the year to September 30 compared with a deficit of £116,000 last time.

Cadbury Schweppes' South African arm advances

By Philip Gawth

in Johannesburg

CADBURY SCHWEPPE'S, the South African subsidiary of the UK confectionery, food and soft drinks group, overcame difficult trading conditions to achieve a 29 per cent increase in profits in the 34 weeks to mid-June.

Management warned, however, that trading conditions had deteriorated recently and growth for the full year was unlikely to match that of the first half.

Strong sales volume growth in the soft drinks sector helped lift turnover which rose by 24

per cent to R396.5m (£60m) compared with R339.5m. Apart from growth in drink sales, consumer demand was generally weak, reflected in slightly lower margins. Although selling prices were held below inflation, they were partially offset by improved sales volumes and cost controls.

Operating profit was 21 per cent higher at R36.2m (£21.6m). Associated companies performed strongly, with profits rising by 48 per cent from R4.9m to R7.3m.

The dividend is lifted to 15 cents per share (12 cents). Earnings per share were 61.2 cents (47.3 cents).

British Coal ready to sell smokeless fuel side

By Roland Rudd

BRITISH COAL is preparing to sell Coal Products, its smokeless fuel business, to a single trade buyer.

The planned sale of the wholly owned subsidiary is a commercial decision by BC, independent of the government, before the run-up to privatisation of the corporation.

Coal Products Limited made operating profit of £2m for the year ended March 28. Last year it had debt of £50m; it has not yet filed its separate accounts for this year.

Anglo United, owner of Coalite smokeless fuel, is likely to be the main contender to buy CPL.

Although Mr David McBain, Anglo's chairman, was unavailable for comment yesterday, he recently expressed interest in buying the business.

Mr Malcolm Edwards, BC's former commercial director who now runs his own energy business, said: "The price for CPL should be related to its realistic earnings capacity and not to its inherited debt."

BC has decided first to shut CPL's loss-making Avenue Coke and Chemical plant near Chesterfield, which produces

Sunbright fuel for the domestic closed fire market. BC said it would be meeting with the employees on Monday.

Anglo is likely to become an immediate beneficiary of the decision. Last year it introduced its Blasebright product, for the domestic closed fire market, in the expectation that BC's Chesterfield plant would close.

Anglo currently produces 20,000 tonnes of Blasebright a year, compared to Sunbright's 320,000 tonnes.

Anglo is interested in buying CPL for two reasons. First, because it would like to take over Phurnacite, BC's other smokeless fuel for the domestic closed fire market, which is produced at Immingham.

Second, CPL's Coventry plant, producing Homafire fuel for the open fire market, would make an ideal fit with Coalite.

Anglo currently produces about 400,000 tonnes of smokeless fuel for the open fire market, about 60 per cent of its total capacity, because it believes there is already too much capacity in the market.

The mild winter and continuing recession dented Anglo's pre-tax profits which fell to £8.3m (£15.7m) in the year to end-March.

GREEK EXPORTS S.A.
INVITATION
for expressions of interest in acquiring the assets of
HELLENIC MARBLES S.A.

In line with the Government's privatisation policy and on the basis of Law 2000/1991, GREEK EXPORTS S.A., a subsidiary of the HELLENIC INDUSTRIAL DEVELOPMENT BANK S.A. (ETBA S.A.), with head office in Athens (17 Panepistimiou St.) has been appointed Liquidator by Decision No. 7518/1992 of the Athens Court of Appeal and intends to sell, with the procedure of Article 46a of Law 2000/1992, the total assets of HELLENIC MARBLES S.A. with head office at Agios Stefanos, Attica and which is owned 100% by ETBA S.A.

HELLENIC MARBLES S.A. was established in 1981 and is engaged in quarrying, processing and trading in marble and its by-products. The installations of the company are on a self-owned plot of land 48,367m² in area near the community of Agios Stefanos in Attica. Production is executed in two phases. In the first, the marble is quarried in blocks and the by-products of the quarrying are used and in the second, the blocks are split into slabs or cut into tiles.

The quarry, covering an area of about 782,000m² is on Mount Penteli, Attica, at Rapentosa. The installations consist of a crushing machine producing marble powder while the remaining quarrying machinery for cutting out blocks is mobile. It is the only company which has the right to quarry and sell the world-famous Pentellic marble. This right expired five months ago and its renewal is expected.

FINANCIAL DATA (in millions of GDR)				
	1988	1989	1990	1991
Total Assets	316	386	423	469
Total Sales	194	299	387	448

Note: The above data are from published Balance Sheets

PRIVATISATION PROCEDURE

- Within twenty (20), calendar days from publication of the present invitation, interested buyers must submit a written, non-binding declaration of interest.
- Prospective buyers, after promising in writing to maintain confidentiality, can receive an offering memorandum and be given access to other information as well, relating to the company for sale.
- The proclamation of a public tender for the highest bid will be published within the specified period and in the same newspapers.
- For any additional information please apply to the following telephone numbers: 30 (1) 929.4395, 30 (1) 929.4396 and 30 (1) 324.3111 to 324.3115.

GREEK EXPORTS S.A.

These securities have not been registered under the Securities Act of 1933 and may not be offered or sold in the United States absent registration or any applicable exemption from the registration of such act.
This announcement appears as a matter of record only.

ARACRUZ CELULOSE S.A.

US\$ 150,000,000
Strippable 10% p.a. 3-Year
Amortizing Euronotes Programme

The Company has issued
US\$ 50,000,000
Series A Notes
Issue Price: 100%

Lead Manager
INTERNATIONALE NEDERLANDEN BANK N.V.

Co-Lead Managers
REPUBLIC NATIONAL BANK OF NEW YORK
(INTERNATIONAL) LIMITED

ABN AMRO BANK N.V.

Co-Manager
RABOBANK CURAÇAO N.V.

Issuing, Paying & Structuring Agent
INTERNATIONALE NEDERLANDEN BANK N.V.

NMB BANK
Also operating in some countries as
ING BANK

July 1992

This announcement appears as a matter of record only.

ARACRUZ CELULOSE S.A.
Acting through its subsidiary
ARACRUZ TRADING S.A.

US\$ 150,000,000
3-Year Amortizing Loan
secured by
Exports of Cellulose

Lenders of tranche 1
US\$ 50,000,000

Lead Manager
INTERNATIONALE NEDERLANDEN BANK N.V.

Co-Lead Managers
REPUBLIC NATIONAL BANK OF NEW YORK
(INTERNATIONAL) LIMITED

ABN AMRO BANK N.V.

Co-Manager
RABOBANK CURAÇAO N.V.

Trustee & Structuring Agent
INTERNATIONALE NEDERLANDEN BANK N.V.

NMB BANK
Also operating in some countries as
ING BANK

July 1992

The Chairman's Statement.

*Now available
365
days a year.*



A Chairman's Statement delivered in seconds?

For TSB it's quite usual. We can provide our Chairman, or any current account holder, with a full printed, up-to-the-second statement from most TSB Speedbank machines. Day or night. The only UK bank



to do so. In fact over a million statements a month are now issued this way.

It's all part of our technology investment programme to improve customer service and cut costs right through the Group. Keeping our fingers on the button, in fact.

London EC4V 4BS
Tel: 071-329 3070
Fax: 071-329 7908

A more compact product in a crowded market

Michio Nakamoto looks at the future direction of Amstrad in the wake of a difficult week

THE SUCCESSION of disturbing news last week from Amstrad, the UK computer and electronics group, left the distinct impression of a company in turmoil.

On Wednesday, Mr Ken Ashcroft, Amstrad's corporate finance director, resigned from the group's board to join Beta.com, a telephone equipment distributor 71 per cent owned by Amstrad.

That news was followed by a profit warning on Thursday and the sudden resignation of Mr Peter Thoms, group finance director, the next day.

Amstrad's share price has duly fallen to 26p against cash balances which equate to 26p a share. "It really puts a derisory value on the business," says Mr Ryan Miller, at Shearson Lehman Hutton Securities.

The sudden departure of two finance directors within days would have been alarming news from any company at any time. But coming from a company that faces the challenges Amstrad does it could not have failed to raise serious questions about the future of the UK group.

There is no question yet about whether Amstrad has a future.

While the group now expects a loss for the year to June 30 of between £65m, or £25m more than

previously estimated, and the outlook for its markets in electronic products does not look particularly bright, Mr Alan Sugar, its founder and chairman, has managed the balance sheet effectively, and raised the group's cash from about £80m a year ago to £100m.

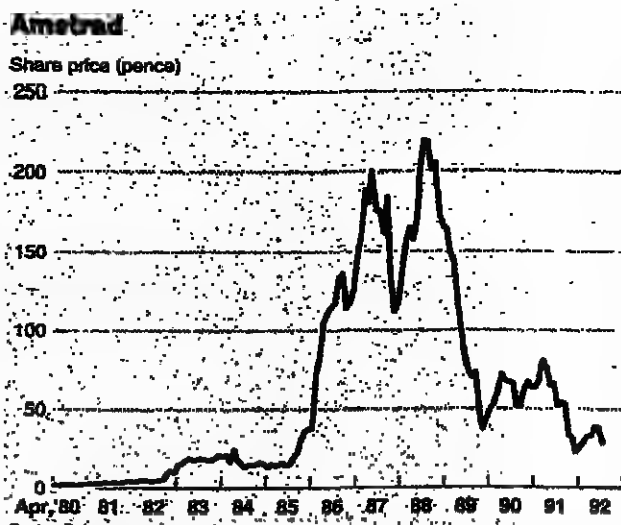
Amstrad has also managed to win markets with its lower-priced fax machines and double-decker video cassette recorders and has an established reputation in the satellite dish market.

If a number of new products lined up, based on the bright market ideas that are its hallmark, such as a user-friendly personal organiser/word processor, a combined but compact telephone/fax machine and a consumer videophone.

But the question that keeps cropping up, as Amstrad has found its revenue bases eroded one by one by slow demand, tumbling prices and intensified competition from larger concerns, is where the group is going from here.

One suggestion is that Amstrad is shrinking to a size more appropriate to the role it can play in the industry.

The recent resignations seen against the fall in the company's sales base from a peak of about £625m three years ago to



about £300m, has prompted Mr Paul Norris at BZW to ask whether Mr Sugar is not already "restructuring the infrastructure of the business to smaller proportions, to a size similar to what it was when he was younger."

It would not be surprising if that were the case.

Amstrad has grown by providing markets with consumer products based on bright ideas at low prices.

That strategy is now under question as the sharp fall in

prices in its main market and the slump in others have hurt. Doubt is mounting about whether a group that has grown by bringing low-priced but quality products to fill a gap in the market has a place in the rapidly-changing electronics world of today.

For example, it is increasingly difficult to see Amstrad succeeding in the PC market, which contributed 54 per cent of turnover last year, on the basis of low prices when prices are falling in the market virtu-

ally across the board and market leaders such as IBM and Compaq have been affected enough to launch their own lower-priced PCs.

"Trying to be a low-cost supplier in this market is suicidal," says Mr Miller. "They are a giant in the PC market compared to the elephants that are the Japanese and US players which are becoming increasingly aggressive in the European market. The nature of the competition is such that it is difficult to be optimistic."

Meanwhile, the bright product ideas that Amstrad has come up with to attract consumer demand, are not considered innovative enough to produce the large consumer hits that it desperately needs.

The NotePad, a new user-friendly portable PC that performs the functions of a personal organiser, calculator and word processor may address an untapped market of computer-illiterate consumers but it is a concept that has been seen on the market before.

The videophone, which is another potential hit, given that price will be a decisive factor for the home market, is dogged by the lack of an international standard for the kind of videophones based on analogue technology that Amstrad is launching.

Amstrad could soon find itself in the middle of a standards war, or worse yet, on the losing side.

Another pitfall in its bright ideas strategy is perhaps the fact that any feature added to a product soon becomes taken for granted by consumers and loses its added-value appeal.

But the greatest problem may be that Amstrad's markets are simply overcrowded. Even the telecoms market, which the group is targeting, is not likely to be as smooth going as Amstrad would like.

Mr Sugar, who has bright visions for Amstrad's telecoms business, expects telecommunications-related businesses to comprise as much as 30 to 40 per cent of total sales in two to three years' time.

Amstrad is not, however, alone in identifying the telecoms market as a growth business. "If the PC market is crowded the telephone equipment market is inundated," says Mr Miller.

If Mr Sugar is indeed slimming down the business it may be that several years from now Amstrad will be a smaller but profitable business.

But judging from the recent performance of Amstrad's share price few people it seems are as yet willing to bet on that.



Alan Sugar: lost two finance directors within days

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding dividend	Total for year	Total last year
Aldi Textile	4.5	Sept 30	4.4	4.125	4.125
Ashland	3.025	Oct 7	3.025	4.125	4.125
Aukit Assoc	1.25	Oct 7	1.25	1.75	1.75
Broth & Jackson	0.1	Oct 7	0.1	0.1	0.1
Cape	2.1	Oct 7	1.8	11.8	10.8
Groves King	6.1	Aug 27	7.5	1.25	6.5
Hedgh Inds	1.5	Oct 2	1	3.75	2
M&M	1.5	Sept 28	2.55	4	3.75
Murry Smaller	1.35	Jan 6	1.2	4	4
Shawlock	1.5	Oct 1	1.5	3.54	3.54
Tenby Bar	4.5	Sept 30	4.5	19	19
Tinney (Eliza)	3.4	Oct 1	3.4	5.2	5.2
YRL	2.35	Oct 16	3.35	4	6

Dividends shown pence per share net except where otherwise stated.
*Increased capital. *USM stock. *For 15 months.

FT-CITY COURSE LONDON

October to 23 November 1992

Arranged by the
FINANCIAL TIMES
and
CITY UNIVERSITY BUSINESS SCHOOL

The FT-City Course is designed for employees of companies with interests in the City. Its objectives are to provide a broader understanding of all aspects of the operations of the City of London, and the factors that make it a pre-eminent financial and trading centre.

The following organisations are amongst those giving presentations:

- 3i
- Association of British Insurers
- Bank of England
- Barclays Bank PLC
- Barclays de Zotte Wedd
- The Building Societies Association
- Byron Edge Limited
- Canadian Imperial Bank of Commerce
- Deutsche Bank Research
- Daiwa Europe Limited
- Greenwell Montagu Gilt-Edged
- GW Associates
- LIFFE
- Midland Bank plc
- Midland Montagu Asset Management Limited
- National Westminster Bank
- Quilter Goodison Company Ltd
- Scandinavian Bank
- Secombe Marshall & Campion PLC
- Securities and Futures Authority

For further information, please return this advertisement together with your business card to:
Financial Times Conference Organisation
16 Jermyn Street, London SW1Y 4UJ, UK
Tel: 071-925 2323
Fax: 071-925 2125 Telex: 27347 FTCONF G HB

1: Before exceptional items. 2: After adjusting for inflation.

"We have generated a record

Electricity supplied up 7.5% to 48.4 TWh

quantity of electricity, improved our

Turnover up 10.4% to £2.4 Billion

productivity and increased our profit.

Productivity up 12.5% to 3.6 GWh/employee

I'm confident of a

Operating profit up 48% to £482m

good future, both

Market share up from 17.4% to 18.5%

for nuclear power

Operating cost down 7% to 3.9p per unit

in the UK and for

Nuclear Electric plc."

John Collier, Chairman.



Nuclear Electric plc is delighted to announce another excellent year. A combination of record sales and improved productivity has increased operating profit by 48%. We have significantly improved output from our AGR stations and our Magnox stations have continued to operate reliably. Oldbury has set a world record for continuous operation of a commercial reactor. Throughout our operations we have maintained the highest levels of safety. The Sizewell B construction project continues to make excellent progress towards completion both to time and cost.



Nuclear Electric

COMMODITIES AND AGRICULTURE

Coffee prices fall as warm Brazil chills the market

By Richard Mooney in London and Barbara Durr in Chicago

COFFEE PRICES fell again on the London Futures and Options Exchange yesterday as the absence of frost in Brazilian growing areas continued to chill market sentiment.

The September position, which on Monday had added \$23 to last week's \$29 fall, dipped another \$25 to \$705 a tonne shortly after the opening. But it rallied later to end the day only \$7 down at \$723 a tonne.

At New York's Coffee, Sugar & Cocoa Exchange, the prompt September coffee price, which had tumbled four cents a lb on Monday, slipped another 10 cents in early trading to 56 cents a lb, it then managed a small recovery to 56.60 cents late in the morning before edging back to 56.10 cents a lb in mid-afternoon.

New York traders had expected a large sell-off in London, in response to the overnight

A SECOND set of negotiations on a new market-stabilising international coffee agreement, being held this week in London, should serve to clear the ground for the September council of the International Coffee Organisation, delegates said, reports Reuters. "I believe the fact people are prepared to come here is very meaningful. It would be cynical to attend if we do nothing at all," said Mr Valdemar Carneiro Leao, a spokesman for coffee producers and Brazil's London ICO representative.

coffee had been held off last week in the New York market because some traders hoped that cold weather in Brazil might hurt some of the crop there. But when the cold snap did not materialise prices fell.

The prospect of some crop damage in Brazil "encouraged traders not to sell as much as they should have," according to Ms Judith Gains, coffee analyst at Merrill Lynch. She believes prices could slip to 50 cents per pound and foresees "no bounce, not in the short term."

Contributing to the market's sourness is the lack of progress on a new International Coffee Agreement.

The general drift lower for

sell-off in their own market. When that did not occur it helped steady the CSCO market.

Also, the trade came back in with a little support. But analysts did not expect prices to recover much and some thought they would soon move lower.

With too much production and too little demand "nothing fundamental is supporting this market", according to Ms Melissa Trout, coffee analyst with Cargill Investor Services.

Ms Trout said that unless production was curbed the picture would continue to be bleak.

The general drift lower for

EC wheat stock now exceeds that of US

By Nancy Dunne in Washington

THE EUROPEAN Community has overtaken the US to become the world's "residual" wheat supplier this year, according to the US Department of Agriculture.

For the first time in recent memory, wheat stocks held by the community exceed those held by the US government. Traders attribute the reversal to reduced US crops in the past few years because of poor weather and continued bountiful harvests in the EC.

Community wheat production for 1992-93 has expanded, in terms of both acreage planted and yields, according to the USDA. Output is projected at 90.1m tonnes, slightly above last year's. US wheat production is running well ahead of last year's poor crop - 89.5m tonnes is projected - but it is still below earlier expectations.

While the US has been steadily subsidising wheat exports through the Export Enhancement Program, EC export restrictions have been reduced. USDA officials say they do not know why the EC has slowed its export subsidies, but believe it to be related to world trade talks.

Even while American traders are taking note of slower EC exports, US sales overseas have been brisk. Some of this has been attributed to election-year assistance. US Wheat Associates, a market promotion group, recently noted in its newsletter that congressmen and senators are preparing to face their farmer constituents in the autumn campaign.

"Administration and other government agencies involved in export decisions may be getting added pressure from legislators regarding the past months' wheat export initiatives," it said.

There is widespread speculation that the administration may have other good news for US farmers before the election. According to Ms Kai Mander, of the Institute for Agriculture and Trade Policy in Minnesota, these actions could include: retaliation against the EC over disagreements surrounding US maize gluten feed shipments to Europe; USDA plans to spend \$1bn of Export Enhancement Program (export subsidy) funds in October to "empty the bins" and drive up cash farm prices; a delay in the Uruguay Round talks until next year and a proposal to agree a two year extension of the Multi-Fibre Agreement.

Algerian gas poised for blast off

Francis Ghiles explains how capacity may yet rise to meet demand

THE RUSH of international oil companies signing exploration deals with Sonatrach could not have come at a better time for Algeria's state hydrocarbons monopoly. So high is the chance of any company finding gas rather than oil that it was only recently, when exploration terms for gas were improved to an acceptable level, that major oil companies decided the risk was worth taking.

Sonatrach is faced with demands for gas beyond its present capacity. In the words of a senior Sonatrach executive: "We are sold out, but people are asking for more."

The new hydrocarbons law passed last December was the personal achievement of Mr Nordine Ait Laoussine, the former Minister of Energy, who has now left the government.

The exploration companies, which have yet to spend any money as a result of their new licences, will no doubt want to be reassured that Mr Laoussine's policies will be continued by Mr Hassan Mufti, the recently appointed minister of energy, and by Mr Belaid Abdesslam, the new prime minister.

Nor is the political uncertainty limited to cabinet level. The blowing up of the telephone cable linking the eastern town of Constantine to Algeria's second most important oil and gas terminal at Skikda could be an ominous event for the country's energy revenues. The damaging of gas pipelines and facilities by Islamic dissidents would be significantly more costly.

Over the past 12 months Sonatrach has signed exploration agreements with Occidental Petroleum, Total, Arco, Mobil, BP and Phillips Petroleum. Apart from the political factor - and this is the big conditional - nearly everything else about Algeria is attractive.

Conditions have changed for the better on two fronts simultaneously. Algerian terms for exploration have become more rewarding for gas and external demand for Algerian gas has grown beyond Sonatrach's current ability to supply it. Companies searching for oil and

Buyer	LNG		Pipeline	
	now	possible 1995	firm 1995	possible 1997
Gaz de France	10.4	10.4		
Enagis	3.5	3.5		
Distrigaz (Belgium)	4.5	4.5		
Distrigaz (US)	1.25	1.3		
Trunkline (US)	1.0			
Shell Cove Point (US)	1.8			
Sotras (Turkey)	2.0			
DEPA (Greece)	0.7			
Portugal		2.0		
Italy		1.4-3	25.25	26-29
Germany		4-6		
Slovenia			0.5	1.0
Tunisia			0.5	1.0
Morocco				1.0
Others		3-9		
Total	26.69	34.1-44	26.35	55.5-58.5

Source: Gas Markets

finding gas now have a realistic chance of getting a return on their exploration investment. As a result some companies might be willing specifically to look for gas.

Another dimension of the new law is that it creates investment opportunities for foreign companies able to enhance production from Algeria's existing oil and gas fields. Rates of recovery had fallen below 20 per cent because Sonatrach lacked the same degree of international experience gained by global operators. Like many countries in the 1970s Algeria's drive to assert its own sovereignty over all oil and gas production excluded it from the advanced technology that less closed third world countries such as Indonesia were able to enjoy.

Since the departure of the hardline Mr Belkacem Nabi, successive Algerian oil ministers have increasingly recognised the mutual benefit to be gained from working together with international oil companies and sharing the benefits of their combined resources.

Sonatrach is also lucky in one other respect. Mr James Ball, director of Gas Matters, points out that in a world where greenfield liquefied natural gas projects cost \$4bn for a couple of trains of LNG able to produce 5bn cubic metres of gas a year, the prospect of increasing capacity by 10bn cu

m a year for half this outlay "must be as frightening to competitors as it is comforting to potential customers".

Through a renovation and upgrading project being carried out by the same three companies that built the LNG plants in the late 1960s and 1970s, M.W.Kellogg and Bechtel of the US and Sofregaz of France will increase capacity at LNG plants in Arzew and Skikda from 19bn cu m to 23bn cu m a year.

Meanwhile, the capacity of the nine-year-old trans-Mediterranean pipeline which brings gas to the Italian mainland through Tunisia and the enhancement project in which Total is playing a key role.

The political uncertainty which besets Algeria today comes at a most inopportune time for its gas industry. Its major competitor in European gas markets was the Soviet Union, which in its new-found state, is not the most reassuring and attractive prospect to western buyers.

It is beset by political and commercial problems that could raise far greater obstacles than those faced and threatened in Algeria. Europe's other major gas suppliers, Norway and the Netherlands, are aggressively selling the only uncommitted Algerian climbing through the widow of opportunity would now appear to be one of Algerian making.

ply for such customers and potential central European buyers.

Exports to Spain are also set to increase and supplies are to reach Morocco for the first time. Spain, a long established buyer of Algerian LNG, recently committed itself to continuing imports at the current level once the gas pipeline scheduled to be built through Morocco and across the Straits of Gibraltar is completed. It is to supply Spain with 6bn-7bn cu m a year from 1997. The dramatic rise in Spain's gas requirement is largely driven by a policy decision to freeze the nuclear programme in favour of gas-fired power. A further 1bn cu m will be bought by Morocco.

In addition to traditional oil and gas sales, a significant number of spin-offs have produced new joint venture opportunities.

One of the first such ventures, formed after the shift in Algerian investment policy began, was that between Alai Liquide, Air Products and Sonatrach to extract helium from the gas stream going into the LNG plants.

A much larger joint venture is the expansion of liquid petroleum gas export facilities at Arzew. It encompasses the expansion of the existing "Jumbo" LPG plant and the increasing of production as a result of an upstream field enhancement project in which Total is playing a key role.

The political uncertainty which besets Algeria today comes at a most inopportune time for its gas industry. Its major competitor in European gas markets was the Soviet Union, which in its new-found state, is not the most reassuring and attractive prospect to western buyers.

It is beset by political and commercial problems that could raise far greater obstacles than those faced and threatened in Algeria. Europe's other major gas suppliers, Norway and the Netherlands, are aggressively selling the only uncommitted Algerian climbing through the widow of opportunity would now appear to be one of Algerian making.

German take-over of Izok Lake

By Robert Gibbons in Montreal

METALL Mining, a 67 per cent Canadian subsidiary of Germany's Metallgesellschaft, is buying control of Minnova, one of the Noranda group's mining units, for C\$136.6m (\$113.8m) cash.

Mettall's main objective is Minnova's Izok Lake high-grade base metals-silver property in the Northwest Territories.

Development is estimated to cost about C\$850m at current prices and the mine is scheduled to be on stream in 1997.

"Izok Lake would be one of Canada's biggest base metals mines if it were operating today," said Klaus Zeller, Metall's president.

"We have increased the reserve significantly this year. The 4,000-mile shipping route to Europe is open five months

a year and the western route to Japan is more encouraging than we thought."

Mettall already owns 40 per cent of Izok Lake with Minnova owning the rest.

Mettall is buying the 50.4 per cent interest held in Minnova by Kerr Addison Mines, a Noranda unit.

Izok Lake lies 360 km (225 miles) north-east of Yellowknife, the Northwest Territories' capital, and 340 km south of Coppermine on the Arctic coast, where a port will be built.

The ore body lies under the lake, which would be pumped out, allowing an open-pit mine to be developed with a mill. The concentrates will be shipped to the port by winter road and then moved out to Europe or Japan by ice-strengthened ships during the five-month season.

In April, Minnova reported

13.4m tonnes of ore with average grade of 3.2 per cent copper, 14.47 per cent zinc, 1.3 per cent lead, and 74 grammes of silver per tonne.

Mr Zeller said that open drilling has increased reserves by 2m tonnes. Only about one-third of the anomaly has been drilled. The full feasibility study will be done next year for a low-cost long-term mining project.

"Once we get the infrastructure in place, we can help develop 33 other smaller potential base metals and gold properties in the area," he added.

"Environmental studies are underway and two existing Canadian Arctic mines have shown that underwater tailings disposal is feasible."

Mettall owns 14 per cent of Teck and 14 per cent of MM Holdings of Australia, which together control Cominco.

MINOR METALS PRICES

Prices from Metal Bulletin (last week's in brackets).

ANTIMONY: European free market, 99.8 per cent, \$ per tonne, in warehouse, 1,715-1,745 (same).

BISMUTH: European free market, 99.99 per cent, \$ per lb, in warehouse, 2,300-2,350 (same).

CADMIUM: European free market, 99.5 per cent, \$ per lb, in warehouse, 0.75-0.95 (same).

COBALT: European free market, 99.5 per cent, \$ per lb, in warehouse, 1,715-1,745 (same).

MERCURY: European free market, 99.99 per cent, \$ per 76 lb flask, in warehouse, 140-160 (same).

MOLYBDENUM: European free market, drummed molybdenum oxide, \$ per lb Mo, in warehouse, 2,350-2,400 (same).

SELENIUM: European free market, 99.5 per cent, \$ per lb, in warehouse, 4.80-5.50 (same).

TUNGSTEN ORE: European free market, standard min. 65 per cent, \$ per tonne unit (10

kg WO₃, cif, 65-62 (same).

VANADIUM: European free market, min. 98 per cent, \$ a lb V₂O₅, cif, 2,000-2,150 (same).

URANIUM: Nuxeo exchange value, \$ per lb, U₃O₈, 7.75 (same).

LEAD: Warehouse stocks (as at Monday close) tonnes

Aluminium	+3,280 to 1,224,000
Copper	-2,428 to 293,500
Lead	-104 to 146,175
Nickel	+2,274 to 59,210
Zinc	-375 to 333,000
Tin	-85 to 14,570

MARKET REPORT

A SHARPISH fall in ALUMINIUM prices was the main feature of a quiet day on the London Metal Exchange. The cash price reversed the uptrend of the two preceding trading days to close \$17.50 down at \$1,327.50 a tonne in a follow-through to a technically weak close on Monday. Dealers said chart patterns remained a bearish influence on the market. Another rise in LME warehouse stocks of aluminium came as no surprise and had little influence, but in the NICKEL market a 2,274-tonne stock rise was a major factor pushing prices lower. At the close the three months price was \$82.50 down

at \$7,560 a tonne. COPPER prices were also lower in sterling terms but that was entirely due to the currency factor. The cash position's \$7 fall to \$1,320.50 a tonne translated into a \$2 rise in terms of the weakening US currency. The retreat of the PLATINUM price continued following news of a wage settlement being agreed at Impala of South Africa. The price fell \$2.50 to \$375 a troy ounce, taking the fall over the last three trading days to \$8.40 an ounce. Profit-taking ended COCOA's rally and the September futures price closed \$11 down at \$599 a tonne. Compiled from Reuters

London Markets

SPOT MARKETS

Crude oil (per barrel FOB) + or -

Dubai \$18.45-45.5 +0.10

Brent Blend (Lond) \$20.75-80.00 +0.20

Brent Blend (Spot) \$20.75-80.00 +0.175

WTI (11 pm est) \$22.05-2.10 +0.175

Oil terminals

(HIVE prompt delivery per tonne CIF) + or -

Premium Gasoline \$25-228

Gas Oil \$185-188

Heavy Fuel Oil \$55-87

Naphtha \$195-197

Phenol (Argon Estimator)

Other + or -

Gold (per troy oz) \$358.45 -0.45

Silver (per troy oz) \$35.00 -0.30

Platinum (per troy oz) \$375.00 -2.5

Palladium (per troy oz) \$80.00 -0.15

Copper (US Producer) \$118.12 -0.48

Lead (US Producer) \$29.50 -0.48

Tin (Kuala Lumpur market) \$16.00 -0.48

Tin (New York) \$16.50 -0.30

Zinc (US Prime Western) \$2.00

Cattle (live weight) \$11.40 +0.05

Sheep (live weight) \$7.20 -0.14

Pigs (live weight) \$6.14 -0.12

London daily sugar (raw) \$27.00

London daily sugar (white) \$30.00

Tale and Lyle export price \$25.00 -0.0

at \$7,560 a tonne. COPPER prices were also lower in sterling terms but that was entirely due to the currency factor. The cash position's \$7 fall to \$1,320.50 a tonne translated into a \$2 rise in terms of the weakening US currency. The retreat of the PLATINUM price continued following news of a wage settlement being agreed at Impala of South Africa. The price fell \$2.50 to \$375 a troy ounce, taking the fall over the last three trading days to \$8.40 an ounce. Profit-taking ended COCOA's rally and the September futures price closed \$11 down at \$599 a tonne. Compiled from Reuters

COCOA - London F&O

Close Previous High/Low

Jul 600 608 590

Sep 610 610 597 581

Dec 620 620 607 597

Mar 626 627 612 603

May 636 635 619 615

Jul 684 703 699 688

Nov 728 754

Turnover: 2955 (1478) lots of 10 tonnes

KCO indicator prices (US cents per pound). Daily price for Jul 27 755.91 (777.52) 10 day average for Jul 28 754.32 (755.68)

COFFEE - London F&O

Close Previous High/Low

Jul 726 726 700 686

Sep 720 720 698 686

Dec 747 747 728 725

Mar 782 788 763 749

May 781 782 761 750

Jul 797 799 775 775

Nov 808 815 802

Turnover: 4167 (5143) lots of 5 tonnes

KCO indicator prices (US cents per pound). Daily price for Jul 27 755.91 (777.52) 10 day average for Jul 28 754.32 (755.68)

SOYABEAN - London F&O

Close Previous High/Low

Jul 255.00 240.00 245.00

Sep 226.00 221.00 224.00

Dec 207.00 204.00 204.00

Mar 214.00 211.00 212.00

White Clove 21.00 21.00 21.00

SOYABEAN - London F&O

Close Previous High/Low

Jul 255.00 240.00 245.00

Sep 226.00 221.00 224.00

Dec 207.00 204.00 204.00

Mar 214.00 211.00 212.00

White Clove 21.00 21.00 21.00

Yellow Clove 21.00 21.00 21.00

Turnover: 279 (125) lots of 10 tonnes

WHEAT - London F&O

Close Previous High/Low

Jul 112.00 112.00 110.00

Sep 112.00 112.00 110.00

Dec 112.00 112.00 110.00

Mar 112.00 112.00 110.00

May 112.00 112.00 110.00

Jul 112.00 112.00 110.00

Nov 112.00 112.00 110.00

Turnover: 1180 (997) lots of 10 tonnes

WHEAT - London F&O

Close Previous High/Low

Jul 112.00 112.00 110.00

Sep 112.00 112.00 110.00

Technical rally boosts share prices

By Terry Byland,
UK Stock Market Editor

THE LONDON stock market enjoyed a widely expected rally yesterday, rising sharply in the second half of the session in spite of the predicted bearish survey of opinion from the Confederation of British Industry (CBI). The driving force came from an early gain in the new Wall Street session. Trading volume in London equities was not large enough to imply a convincing change in the investment mood.

Equities opened firmly behind more stable performance in Tokyo and New York. Traders were poised for a rally in a London market which had fallen by more than 4 per cent in the previous trad-

ing account. Shares in Wellcome stabilised as the £2.16bn share sale was absorbed. Dealers sensed that some bear positions had been left open in blue chip shares which had been sold to raise cash for the new Wellcome stock.

More significant, however, was the squeeze on market-makers' books after the prolonged selling bout. Traders seeking stock to meet previous selling orders in such recent losers as Thorn-EMI, Reuters and BAT Industries found prices moving up ahead of them.

However, lack of genuine investment demand left the Footsie struggling to hold its early gain of around 15 points. The CBI quarterly survey, confirming that the economic

Account Opening Dates			
First Dealings:	Jul 27	Aug 16	Aug 24
Option Declarations:	Aug 6	Aug 20	Sep 3
Last Dealings:	Aug 7	Aug 21	Sep 4
Account Day:	Sep 17	Sep 1	Sep 14

*New time dealings may have place from 5:30 am to 1:00 pm

recovery expected in April had "failed to materialise", had been so widely discounted that it had little effect one way or the other.

The final impact for London came when Wall Street, discounting its own bad news in the shape of a heavy fall in the US consumer confidence index, opened strongly, gaining nearly 30 Dow points during UK trading hours. The UK

market was quick to follow other European bourses in responding to Wall Street.

A determined buyer for the September contract on the FT-SE 100 in the stock index futures market lit the fuse under the underlying blue chip stocks. The FT-SE 100 rose sharply and closed, just under the day's best, at 2,373.4 for a gain of 25.4.

The day's Seag trading total of 446m shares was not particularly exciting, even by recent standards. Monday's Seag total of 564.4m, worth £1.3bn in terms of retail business, was swollen by trading in the 270m new Wellcome shares.

One of the more genuinely firm sectors was the distillery industry, which took a highly favourable view of the Euro-

pean Community agreement on a package of binding excise duties which, in the view of City analysts, might press a curb on further increases in spirits duties in the UK and other producer countries.

Guinness, with major whisky interests, led the way forward. ICI, the market bellwether stock, which announces trading results tomorrow, benefited from recommendation by a leading UK investment bank.

However, market strategists maintained that yesterday's rally was no more than a technical bounce in a badly shaken stock market. Traders continued to doubt whether either the stock market or the UK economy is ready to mount a sustained recovery at this stage.

FINANCIAL TIMES STOCK INDICES

	July 28	July 27	July 26	July 25	July 24	July 23	July 22	July 21	July 20	July 19	July 18	July 17	July 16	July 15	July 14	July 13	July 12	July 11	July 10	July 9	July 8	July 7	July 6	July 5	July 4	July 3	July 2	July 1	June 30	June 29	June 28	June 27	June 26	June 25	June 24	June 23	June 22	June 21	June 20	June 19	June 18	June 17	June 16	June 15	June 14	June 13	June 12	June 11	June 10	June 9	June 8	June 7	June 6	June 5	June 4	June 3	June 2	June 1	May 31	May 30	May 29	May 28	May 27	May 26	May 25	May 24	May 23	May 22	May 21	May 20	May 19	May 18	May 17	May 16	May 15	May 14	May 13	May 12	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3	May 2	May 1	April 30	April 29	April 28	April 27	April 26	April 25	April 24	April 23	April 22	April 21	April 20	April 19	April 18	April 17	April 16	April 15	April 14	April 13	April 12	April 11	April 10	April 9	April 8	April 7	April 6	April 5	April 4	April 3	April 2	April 1	March 31	March 30	March 29	March 28	March 27	March 26	March 25	March 24	March 23	March 22	March 21	March 20	March 19	March 18	March 17	March 16	March 15	March 14	March 13	March 12	March 11	March 10	March 9	March 8	March 7	March 6	March 5	March 4	March 3	March 2	March 1	February 29	February 28	February 27	February 26	February 25	February 24	February 23	February 22	February 21	February 20	February 19	February 18	February 17	February 16	February 15	February 14	February 13	February 12	February 11	February 10	February 9	February 8	February 7	February 6	February 5	February 4	February 3	February 2	February 1	January 31	January 30	January 29	January 28	January 27	January 26	January 25	January 24	January 23	January 22	January 21	January 20	January 19	January 18	January 17	January 16	January 15	January 14	January 13	January 12	January 11	January 10	January 9	January 8	January 7	January 6	January 5	January 4	January 3	January 2	January 1	December 31	December 30	December 29	December 28	December 27	December 26	December 25	December 24	December 23	December 22	December 21	December 20	December 19	December 18	December 17	December 16	December 15	December 14	December 13	December 12	December 11	December 10	December 9	December 8	December 7	December 6	December 5	December 4	December 3	December 2	December 1	November 30	November 29	November 28	November 27	November 26	November 25	November 24	November 23	November 22	November 21	November 20	November 19	November 18	November 17	November 16	November 15	November 14	November 13	November 12	November 11	November 10	November 9	November 8	November 7	November 6	November 5	November 4	November 3	November 2	November 1	October 31	October 30	October 29	October 28	October 27	October 26	October 25	October 24	October 23	October 22	October 21	October 20	October 19	October 18	October 17	October 16	October 15	October 14	October 13	October 12	October 11	October 10	October 9	October 8	October 7	October 6	October 5	October 4	October 3	October 2	October 1	September 30	September 29	September 28	September 27	September 26	September 25	September 24	September 23	September 22	September 21	September 20	September 19	September 18	September 17	September 16	September 15	September 14	September 13	September 12	September 11	September 10	September 9	September 8	September 7	September 6	September 5	September 4	September 3	September 2	September 1	August 31	August 30	August 29	August 28	August 27	August 26	August 25	August 24	August 23	August 22	August 21	August 20	August 19	August 18	August 17	August 16	August 15	August 14	August 13	August 12	August 11	August 10	August 9	August 8	August 7	August 6	August 5	August 4	August 3	August 2	August 1	July 31	July 30	July 29	July 28	July 27	July 26	July 25	July 24	July 23	July 22	July 21	July 20	July 19	July 18	July 17	July 16	July 15	July 14	July 13	July 12	July 11	July 10	July 9	July 8	July 7	July 6	July 5	July 4	July 3	July 2	July 1	June 30	June 29	June 28	June 27	June 26	June 25	June 24	June 23	June 22	June 21	June 20	June 19	June 18	June 17	June 16	June 15	June 14	June 13	June 12	June 11	June 10	June 9	June 8	June 7	June 6	June 5	June 4	June 3	June 2	June 1	May 31	May 30	May 29	May 28	May 27	May 26	May 25	May 24	May 23	May 22	May 21	May 20	May 19	May 18	May 17	May 16	May 15	May 14	May 13	May 12	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3	May 2	May 1	April 30	April 29	April 28	April 27	April 26	April 25	April 24	April 23	April 22	April 21	April 20	April 19	April 18	April 17	April 16	April 15	April 14	April 13	April 12	April 11	April 10	April 9	April 8	April 7	April 6	April 5	April 4	April 3	April 2	April 1	March 31	March 30	March 29	March 28	March 27	March 26	March 25	March 24	March 23	March 22	March 21	March 20	March 19	March 18	March 17	March 16	March 15	March 14	March 13	March 12	March 11	March 10	March 9	March 8	March 7	March 6	March 5	March 4	March 3	March 2	March 1	February 29	February 28	February 27	February 26	February 25	February 24	February 23	February 22	February 21	February 20	February 19	February 18	February 17	February 16	February 15	February 14	February 13	February 12	February 11	February 10	February 9	February 8	February 7	February 6	February 5	February 4	February 3	February 2	February 1	January 31	January 30	January 29	January 28	January 27	January 26	January 25	January 24	January 23	January 22	January 21	January 20	January 19	January 18	January 17	January 16	January 15	January 14	January 13	January 12	January 11	January 10	January 9	January 8	January 7	January 6	January 5	January 4	January 3	January 2	January 1	December 31	December 30	December 29	December 28	December 27	December 26	December 25	December 24	December 23	December 22	December 21	December 20	December 19	December 18	December 17	December 16	December 15	December 14	December 13	December 12	December 11	December 10	December 9	December 8	December 7	December 6	December 5	December 4	December 3	December 2	December 1	November 30	November 29	November 28	November 27	November 26	November 25	November 24	November 23	November 22	November 21	November 20	November 19	November 18	November 17	November 16	November 15	November 14	November 13	November 12	November 11	November 10	November 9	November 8	November 7	November 6	November 5	November 4	November 3	November 2	November 1	October 31	October 30	October 29	October 28	October 27	October 26	October 25	October 24	October 23	October 22	October 21	October 20	October 19	October 18	October 17	October 16	October 15	October 14	October 13	October 12	October 11	October 10	October 9	October 8	October 7	October 6	October 5	October 4	October 3	October 2	October 1	September 30	September 29	September 28	September 27	September 26	September 25	September 24	September 23	September 22	September 21	September 20	September 19	September 18	September 17	September 16	September 15	September 14	September 13	September 12	September 11	September 10	September 9	September 8	September 7	September 6	September 5	September 4	September 3	September 2	September 1	August 31	August 30	August 29	August 28	August 27	August 26	August 25	August 24	August 23	August 22	August 21	August 20	August 19	August 18	August 17	August 16	August 15	August 14	August 13	August 12	August 11	August 10	August 9	August 8	August 7	August 6	August 5	August 4	August 3	August 2	August 1	July 31	July 30	July 29	July 28	July 27	July 26	July 25	July 24	July 23	July 22	July 21	July 20	July 19	July 18	July 17	July 16	July 15	July 14	July 13	July 12	July 11	July 10	July 9	July 8	July 7	July 6	July 5	July 4	July 3	July 2	July 1	June 30	June 29	June 28	June 27	June 26	June 25	June 24	June 23	June 22	June 21	June 20	June 19	June 18	June 17	June 16	June 15	June 14	June 13	June 12	June 11	June 10	June 9	June 8	June 7	June 6	June 5	June 4	June 3	June 2	June 1	May 31	May 30	May 29	May 28	May 27	May 26	May 25	May 24	May 23	May 22	May 21	May 20	May 19	May 18	May 17	May 16	May 15	May 14	May 13	May 12	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3	May 2	May 1	April 30	April 29	April 28	April 27	April 26	April 25	April 24	April 23	April 22	April 21	April 20	April 19	April 18	April 17	April 16	April 15	April 14	April 13	April 12	April 11	April 10	April 9	April 8	April 7	April 6	April 5	April 4	April 3	April 2	April 1	March 31	March 30	March 29	March 28	March 27	March 26	March 25	March 24	March 23	March 22	March 21	March 20	March 19	March 18	March 17	March 16	March 15	March 14	March 13	March 12	March 11	March 10	March 9	March 8	March 7	March 6	March 5	March 4	March 3	March 2	March 1	February 29	February 28	February 27	February 26	February 25	February 24	February 23	February 22	February 21	February 20	February 19	February 18	February 17	February 16	February 15	February 14	February 13	February 12	February 11	February 10	February 9	February 8	February 7	February 6	February 5	February 4	February 3	February 2	February 1	January 31	January 30	January 29	January 28	January 27	January 26	January 25	January 24	January 23	January 22	January 21	January 20	January 19	January 18	January 17	January 16	January 15	January 14	January 13	January 12	January 11	January 10	January 9	January 8	January 7	January 6	January 5	January 4	January 3	January 2	January 1	December 31	December 30	December 29	December 28	December 27	December 26	December 25	December 24	December 23	December 22	December 21	December 20	December 19	December 18	December 17	December 16	December 15	December 14	December 13	December 12	December 11	December 10	December 9	December 8	December 7	December 6	December 5	December 4	December 3	December 2	December 1	November 30	November 29	November 28	November 27	November 26	November 25	November 24	November 23	November 22	November 21	November 20	November 19	November 18	November 17	November 16	November 15	November 14	November 13	November 12	November 11	November 10	November 9	November 8	November 7	November 6	November 5	November 4	November 3	November 2	November 1	October 31	October 30	October 29	October 28	October 27	October 26	October 25	October 24	October 23	October 22	October 21	October 20	October 19	October 18	October 17	October 16	October 15	October 14	October 13	October 12	October 11	October 10	October 9	October 8	October 7	October 6	October 5	October 4	October 3	October 2	October 1	September 30	September 29	September 28	September 27	September 26	September 25	September 24	September 23	September 22	September 21	September 20	September 19	September 18	September 17	September 16	September 15	September 14	September 13	September 12	September 11	September 10	September 9	September 8	September 7	September 6	September 5	September 4	September 3	September 2	September 1	August 31	August 30	August 29	August 28	August 27	August 26	August 25	August 24	August 23	August 22	August 21	August 20	August 19	August 18	August 17	August 16	August 15	August 14	August 13	August 12	August 11	August 10	August 9	August 8	August 7	August 6	August 5	August 4	August 3	August 2	August 1	July 31	July 30	July 29	July 28	July 27	July 26	July 25	July 24	July 23	July 22	July 21	July 20	July 19	July 18	July 17	July 16	July 15	July 14	July 13	July 12	July 11	July 10	July 9	July 8	July 7	July 6	July 5	July 4	July 3	July 2	July 1	June 30	June 29	June 28	June 27	June 26	June 25	June 24	June 23	June 22	June 21	June 20	June 19	June 18	June 17	June 16	June 15	June 14	June 13	June 12	June 11	June 10	June 9	June 8	June 7	June 6	June 5	June 4	June 3	June 2	June 1	May 31	May 30	May 29	May 28	May 27	May 26	May 25	May 24	May 23	May 22	May 21	May 20	May 19	May 18	May 17	May 16	May 15	May 14	May 13	May 12	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3	May 2	May 1	April 30	April 29	April 28	April 27	April 26	April 25	April 24	April 23	April 22	April 21	April 20	April 19	April 18	April 17	April 16	April 15	April 14	April 13	April 12	April 11	April 10	April 9	April 8	April 7	April 6	April 5	April 4	April 3	April 2	April 1	March 31	March 30	March 29	March 28	March 27	March 26	March 25	March 24	March 23	March 22	March 21	March 20	March 19	March 18	March 17	March 16	March 15	March 14
--	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	---------	---------	---------	---------	---------	---------	---------	---------	---------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	---------	---------	---------	---------	---------	---------	---------	---------	---------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	---------	---------	---------	---------	---------	---------	---------	---------	---------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	---------	---------	---------	---------	---------	---------	---------	---------	---------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	---------	---------	---------	---------	---------	---------	---------	---------	---------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	---------	---------	---------	---------	---------	---------	---------	---------	---------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	---------	---------	---------	---------	---------	---------	---------	---------	---------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------

LONDON SHARE SERVICE

AMERICANS

Stock	Price	% Chg	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	920	919	918	917	916	915	914	913	912	911	910	909	908	907	906	905	904	903	902	901	900	899	898	897	896	895	894	893	892	891	890	889	888	887	886	885	884	883	882	881	880	879	878	877	876	875	874	873	872	871	870	869	868	867	866	865	864	863	862	861	860	859	858	857	856	855	854	853	852	851	850	849	848	847	846	845	844	843	842	841	840	839	838	837	836	835	834	833	832	831	830	829	828	827	826	825	824	823	822	821	820	819	818	817	816	815	814	813	812	811	810	809	808	807	806	805	804	803	802	801	800	799	798	797	796	795	794	793	792	791	790	789	788	787	786	785	784	783	782	781	780	779	778	777	776	775	774	773	772	771	770	769	768	767	766	765	764	763	762	761	760	759	758	757	756	755	754	753	752	751	750	749	748	747	746	745	744	743	742	741	740	739	738	737	736	735	734	733	732	731	730	729	728	727	726	725	724	723	722	721	720	719	718	717	716	715	714	713	712	711	710	709	708	707	706	705	704	703	702	701	700	699	698	697	696	695	694	693	692	691	690	689	688	687	686	685	684	683	682	681	680	679	678	677	676	675	674	673	672	671	670	669	668	667	666	665	664	663	662	661	660	659	658	657	656	655	654	653	652	651	650	649	648	647	646	645	644	643	642	641	640	639	638	637	636	635	634	633	632	631	630	629	628	627	626	625	624	623	622	621	620	619	618	617	616	615	614	613	612	611	610	609	608	607	606	605	604	603	602	601	600	599	598	597	596	595
-------	-------	-------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

July 29 1992

LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

Company	Price	Change	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	920	919	918	917	916	915	914	913	912	911	910	909	908	907	906	905	904	903	902	901	900	899	898	897	896	895	894	893	892	891	890	889	888	887	886	885	884	883	882	881	880	879	878	877	876	875	874	873	872	871	870	869	868	867	866	865	864	863	862	861	860	859	858	857	856	855	854	853	852	851	850	849	848	847	846	845	844	843	842	841	840	839	838	837	836	835	834	833	832	831	830	829	828	827	826	825	824	823	822	821	820	819	818	817	816	815	814	813	812	811	810	809	808	807	806	805	804	803	802	801	800	799	798	797	796	795	794	793	792	791	790	789	788	787	786	785	784	783	782	781	780	779	778	777	776	775	774	773	772	771	770	769	768	767	766	765	764	763	762	761	760	759	758	757	756	755	754	753	752	751	750	749	748	747	746	745	744	743	742	741	740	739	738	737	736	735	734	733	732	731	730	729	728	727	726	725	724	723	722	721	720	719	718	717	716	715	714	713	712	711	710	709	708	707	706	705	704	703	702	701	700	699	698	697	696	695	694	693	692	691	690	689	688	687	686	685	684	683	682	681	680	679	678	677	676	675	674	673	672	671	670	669	668	667	666	665	664	663	662	661	660	659	658	657	656	655	654	653	652	651	650	649	648	647	646	645	644	643	642	641	640	639	638	637	636	635	634	633	632	631	630	629	628	627	626	625	624	623	622	621	620	619	618	617	616	615	614	613	612	611	610	609	608	607	606	605	604	603	602	601	60
---------	-------	--------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	----

● Current Unit Trust prices are available on FT Cityline. Calls charged at 36p/minute cheap rate and 48p/minute at all other times. To obtain a free Unit Trust Code Booklet ring (071) 925-2128.

ATB Unit Trust Managers Limited (100019)
 11 Robinson Road, Singapore 048871, UEN L001020007260278

[illegible][illegible][illegible][illegible][illegible][illegible][illegible][illegible][illegible]

INITIAL CHARGE: Charge made on sale of
HISTORIC PRICING: The Silver H derives

1700-1800 (1801-1900) is complete. Only studies
which are not on the edge of the collection
have a short period at the very end of the
range.

THE NEW YORK PUBLIC LIBRARY

● Current Unit Trust prices are available on FT Cityline. Calls charged at 36p/minute cheap rate and 48p/minute at all other times. To obtain a free Unit Trust Code Booklet ring (071) 925-2128.

Continued on next page

● Current Unit Trust prices are available on 1-800-551-5123 or by requesting a free Unit Trust Code Booklet Ring (U/T) 363-E120.

اعمال

MANAGED FUNDS NOTES

There are six active mutual funds managed on behalf of designated clients to provide returns to the clients. The funds are all actively managed and invest in capital markets. The funds are: 1. **Global Fund** (GF) - A diversified portfolio of global equities and fixed income securities. 2. **US Fund** (USF) - A diversified portfolio of US equities and fixed income securities. 3. **International Fund** (IF) - A diversified portfolio of international equities and fixed income securities. 4. **Fixed Income Fund** (FIF) - A diversified portfolio of fixed income securities. 5. **Equity Fund** (EF) - A diversified portfolio of equities. 6. **Bond Fund** (BF) - A diversified portfolio of bonds.

The funds are managed by the **Global Fund Management Company**, which is a subsidiary of the **Global Fund Group**. The funds are managed by a team of experienced investment professionals who monitor the funds' performance and make adjustments as needed to meet the clients' investment objectives.

The funds are subject to the same risks as any other investment in the capital markets. The funds' performance may vary over time, and there is no guarantee that the funds will achieve their investment objectives. The funds are not insured by the FDIC or any other government agency.

The funds are managed by the **Global Fund Management Company**, which is a subsidiary of the **Global Fund Group**. The funds are managed by a team of experienced investment professionals who monitor the funds' performance and make adjustments as needed to meet the clients' investment objectives.

The funds are subject to the same risks as any other investment in the capital markets. The funds' performance may vary over time, and there is no guarantee that the funds will achieve their investment objectives. The funds are not insured by the FDIC or any other government agency.

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

[illegible]

NASDAQ NATIONAL MARKET

AMERICA

Dow rises on Chrysler results and lower yields

Wall Street

IN SPITE of more bad economic news, US equities posted their second best performance of the year yesterday in the wake of a sharp decline in long-term bond yields and strong second quarter earnings from Chrysler, writes Patrick Harrington in New York.

The Dow Jones Industrial Average finished 51.87 up at 3,234.07, the best one-day gain since January 14 and the second largest of the year. The Standard & Poor's 500 advanced 5.96 to 417.50, while the American SE composite put on 2.49 to 394.55 and the Nasdaq composite appreciated 6.90 to 571.63. Turnover on the New York SE was fairly heavy at 219m shares, while rises outpaced declines by more than three-to-one.

Stability on foreign markets set the tone for a solid start to trading, but the buying did not really gather momentum until mid-morning when bond yields plummeted on news of a fall in the Conference Board's latest index of consumer confidence.

Although the confidence figures were bad in economic terms, equity investors were cheered by one of the biggest one-day falls in long-term interest rates this year - a decline that should stimulate

activity in the housing market over the coming months.

Technical factors also came into play when the Dow burst above the 3,200 mark, which has been a short-term ceiling for the average recently. After that, computer program buying then kicked in, pushing prices even higher and luring back to the market those investors who have stayed on the sidelines during the recent losses.

Better than expected second quarter earnings from Chrysler

Mexico's volatile stock market rose 59 or 4 per cent to 1,525.62 by 10.30 am local time yesterday as Telmex reported better than expected results, writes Damian Fraser. Telmex L shares jumped 5.2 per cent on news of a 12.7 per cent rise in first half operating income.

Cemex B shares, down by more than 25 per cent since the company announced its Spanish cement acquisitions earlier in the month, gained 7.34 per cent in heavy trading. Televisa reported earnings up 62 per cent in the first quarter, and it rose 6.3 per cent.

also lifted sentiment. The stock climbed 51% to 321% in turnover of 4.4m shares in response to advances of \$178m, a substantial turnaround from the \$212m loss incurred at the same stage a year ago.

The two other big car manufacturing issues rose sharply on the Chrysler news. General Motors moved ahead 51% to \$11% and Ford 51% to \$45%, both in heavy trading.

Telmex, the Mexican telephone monopoly, jumped 3% to \$46% in turnover of 3.7m shares after revealing pleasing first-half results.

Tenneco added 3% to \$39% in heavy trading after the oil group announced second quarter net income from continuing operations of 71 cents a share, a reversal of the loss of a year ago.

The Nasdaq market was led higher by hi-tech blue chips such as Apple, up 51% to \$46%, Microsoft, \$1 firm at \$74, and Borland International, \$3 ahead at \$45.

Everex Systems fell 3% to \$2% after warning that the company would lose in its fiscal fourth quarter because of soft sales and weakening margins in the price-competitive personal computer industry.

Canada

TORONTO posted a modest gain in continued moderate trading. The TSE 300 index ended 15.1 firmer at 3,411.5 and advances held a slim 355-to-297 lead over falls after volume of 23.1m shares valued at C\$258.1m.

FINANCIAL TIMES

Wednesday July 29 1992

Crab-like Malaysia dispirits investors

The excitement surrounding the recent flotations has evaporated, says Kieran Cooke

Malaysia's stockbrokers are a shade dispirited. The excitement of recent big privatisations has evaporated. There appears to be a shortage of liquidity in the market. Speculative investors have been heading for the more interesting money-making grounds of Hong Kong.

"The KL [Kuala Lumpur] Stock Exchange is like a crab," says one broker. "Plenty of sideways movement but not much else."

The KLSE composite index closed at 585.77 yesterday, up 5.7 per cent since the start of the year, but it has lost 3.3 per cent over a 12-month period. This performance is far from bad, especially compared with Tokyo or, closer to home, Singapore, which the KLSE has now supplanted as the biggest bourse in south-east Asia with the exception of Hong Kong.

Malaysia's ascent in the region has been brought about by the heavy activity arising from the government's privatisation programme. In November 1990, the government floated a 22 per cent

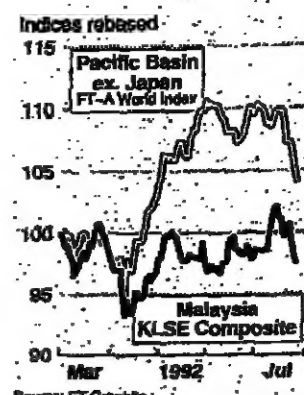
stake in Telekom Malaysia.

In March this year, Perusahaan Otomobil, the Malaysian-Japanese joint venture automobile company - manufacturers of Malaysia's Proton car - came to the market. In May, a 22 per cent slice of Tenaga Nasional, the state electricity utility, was thrown into the arms of eager investors.

The privatisations have transformed the KLSE. Tenaga, capitalised at M\$28.5bn (\$11.5bn), is now the largest company on the exchange, accounting for more than 14 per cent of total market capitalisation. Together, Tenaga and Telekom account for just under 30 per cent of total market weighting and are larger than the next 15 stocks combined.

Meanwhile, the influence of commodity-associated companies, once the giants of the KLSE, has declined. In 1990, plantations constituted 20 per cent of the market, compared to 7 per cent at present.

The change reflects Malaysia's transformation from a primarily commodity-based to a manufacturing economy. In



1990, commodities accounted for more than 70 per cent of exports. By 1991, manufactured goods, mainly electronics and associated equipment, made up 60 per cent of exports.

The partial privatisation of Tenaga, Telekom and the Proton company came at an opportune time. Telekom and Tenaga have been placed on the market as the Malaysian economy has been recording 8 per cent-plus growth rates in each of the last five years. Other companies have taken

advantage of favourable market conditions to go private. Mergers and acquisitions have produced powerful new corporate groups, some with important political connections.

While privatisations gave new life and confidence to the KLSE, the index has become too heavy: the 10 largest companies on the market account for about 70 per cent of total market capitalisation.

Mr Lum Ming Jang of brokerage concern K & N Kenanga says: "Tenaga and, to a lesser extent, Telekom tended to soak up the funds that were available. Institutional investors - both here and from overseas - felt they had to have Tenaga as part of their portfolios. In many cases that has meant that holdings in other stocks have been reduced."

The KLSE is heavily dependent on foreign investors: funds from abroad made a substantial contribution to the M\$8.6bn raised on the market in 1990, M\$3.5bn in 1991 and M\$5bn in the first half of this year. But not only is the buoyancy of Hong Kong attracting foreign funds away, some

investors are concerned about continuing signs of overheating in the Malaysian economy.

A growing balance of payments deficit and high domestic interest rates have meant that many smaller investors have banked funds rather than risk the stock market. The ringgit has continued to strengthen, particularly against the US dollar, harming export competitiveness.

The market hopes to raise M\$5bn in the second half of this year: this includes a M\$1.7bn rights issue by the partially privatised Malaysian airline MAS. While it is unlikely that the government would allow such a cash call to fail, smaller companies could suffer as remaining market liquidity is soaked up.

But all is not lost for the market's small fry. In recent days, more funds have been flowing into the less well-known stocks, in part due to market sentiment that the blue chips are slightly overvalued. Perhaps the crab is beginning to move slowly forward.

EUROPE

Allianz and Daimler drag Frankfurt lower

BAD news from the corporate sector dealt a blow to Frankfurt's recovery hopes, writes Our Markets Staff.

FRANKFURT weakened after the insurer Allianz reported disappointing 1991 earnings, due to its first ever underwriting losses, mainly at its US subsidiary.

Shares in Allianz lost more than DM50 in the pre-bourse, fell steadily during the session and closed down DM62, or 3 per cent, at DM1,955, just off an intraday year's low of DM1,951.

The news depressed sentiment, with the FAZ index 2.8 lower at 840.96 by mid-session and the DAX index losing 7.45 to 1,810.64. Turnover rose to DM4.5bn from DM4.2bn.

The market sank further into gloom following the publication of Daimler-Benz's new car sales. Lower sales of Mercedes cars pulled Daimler down by DM11.50 to DM69.50.

The data reaffirmed Volkswagen's grip on the domestic car market although its shares followed the day's downward trend, shedding DM2.20 to 352.30. Porsche lost DM12 to DM500.

The banking sector was helped by some good first half figures from Bayerische Hypo- und Sparkasse, which rose to DM237.30, the market awaited today's results from Commerzbank, which was DM2.20 stronger at DM238.20.

AMSTERDAM rose as the chemical sector climbed in technical trading ahead of tomorrow's half-year results from DSM. The CBS Tendency index put on 0.5 to 115.1.

DSM advanced F11.70 to F189.40 while Akzo performed even better, rising F1.60 to F138 but in low volume. Fokker sank further, losing

FT-SE Eurotrack 100 - Jul 28

Hourly changes					
Open	10.30am	11am	12pm	1pm	2pm
1059.32	1060.55	1060.48	1059.15	1056.16	1058.73
					1060.40
					1058.38
Day's High 1061.41					
Day's Low 1058.38					
Jul 27	Jul 24	Jul 23	Jul 22	Jul 21	
1058.98	1052.53	1059.53	1060.97	1075.64	

Base value 1990 (250/100)

F11.80 to F125.90 as minority shareholders continued to sell the stock following Dasa's takeover of the aircraft manufacturer. There were reports that Dasa would offer the Dutch government up to F1.40 per share for its 32 per cent stake.

A report that Elsevier's newspaper publishing division was failing to meet profit targets took its shares to a year's low, down F1.20 or 2 per cent to F1103.80.

PARIS rose for a second day but trading remained thin and there was little corporate news for the market to chew on. The CAC-40 index finished 13.85 higher at 1,789.00 in turnover of just FF1.6bn.

Among the most active stocks, Alcatel Alsthom jumped FF11 to FF183.00 while BSN continued to fall, losing FF1.14 to FF1,015. Euro Disney fell a further FF1.55 to FF593.20.

Remy Cointreau, the drinks company, jumped FF10 or 6.3 per cent to FF188 but the rise came in low volume of 11,750 shares.

MILAN underwent a technical rebound as dealers covered their short positions but dealers said that the market remained on a downward path. The Comit index rose 1.63 to 400.01 in turnover estimated at L80bn after L77bn.

Fiat was fixed by Li lower

at L4,406 but rose to L4,460 on short-covering after hours.

STOCKHOLM continued to recover but turnover remained thin at SKr161m after SKr169m as the summer holiday season progressed. The Allshare index rose 12.9 to 854.7. Skandia rose SKr2 to SKr93.5 on hopes that a solution was in sight to the battle between Skandia and UNI Stora for control of the Swedish group.

ZURICH rose in quiet trading. The SMI index improved 15.5 to 1,777.4. Banks and insurers were again the day's most active issues with UBS bearers up SF11 at SF198 and Winterthur bearers and registered shares adding SF180 and SF160 respectively to SF2,960 and SF2,760.

OSLO was lifted by a recovery in Norsk Hydro, up Nkr2.5 to Nkr14.8, as the all-share index rose 6.22 to 386.52 in turnover worth Nkr190.3m. Hafslund, due to report first half figures today, saw its A shares close Nkr2 higher at Nkr156.

VIENNA recovered slightly as the ATX index gained 7.75 or 1 per cent to 773.52 in low volume. Austrian Airlines went against the trend, losing Sch70 to Sch7,780.

ISTANBUL took profits as banks announced lower deposit rates. The 75-share index closed down 44.05 at 4,166.00.

ASIA PACIFIC

Firm futures market helps Nikkei recover

Tokyo

HEAVY buying in the futures market helped the Nikkei average register its first gain in three days, writes Emilio Terazono in Tokyo.

The 225-issue average closed 53.30 better at 15,426.64. The index fell to 15,300.25 in the early morning, following Monday's decline to another six-year low, but covering of short positions in the futures market prompted support in the afternoon, taking the Nikkei to the day's high of 15,510.54.

Volume shrank, however, from 227m shares to 170m as investors failed to participate and the overall market remained weak. Declines still led rises at the close by 687 to 283, with 143 issues unchanged. The Topix index of all first section stocks ended 5.53 easier at 1,190.43, and the Nikkei 50 index shed 1.54 to 936.18.

Traders said the improvement in the Nikkei was technical, and institutional investors cited the risk of a further fall in share prices as their reason for remaining on the sidelines. Mr Chris Newton at James Capel commented: "Investors feel that the discount rate [at 5 per cent] is too low, too late. Mr Shiohara [Executive Director, Nikko Research Institute] said institutional investors would have to see a substantial rise in share prices before deciding to participate. He added that since Japanese individuals tended to place funds in bank savings during an economic downturn, the rate cut had added to worries about a delay in an economic rebound."

Dealers traded in speculative theme stocks. Meiji Milk Products, the most active issue of the day, dipped Y2 to Y893 and Taiyo Fishery lost Y3 to Y431.

SOUTH AFRICA

A firmer gold price and forecasts that support for next week's ANC's mass action campaign will fall short of expectations lifted Johannesburg's gold index to 1,110 and the overall index added 20 to 3,366.

Banks firmed on bargain hunting. Industrial Bank of Japan gained Y30 to Y1,620 and Fuji Bank also Y20 to Y1,260. High-technology blue chips were narrowly mixed: Fujitsu firmed Y1 to Y581 on bargain hunting.

Nippon Housing Loan, facing an increasing number of bad loans, improved Y9 to Y174 as rumours that the Finance Ministry would work out a restructuring programme sparked short-covering. The issue had suffered its eighth consecutive fall on Monday, due to worries about its dispute with tax officials.

In Osaka, the OSE average regained 155.65 to 17,576.68 in volume of 19m shares.

Roundup

TOKYO's mild improvement had little effect on most markets in the Pacific Basin, where Hong Kong was an isolated bright feature.

HONG KONG jumped 2.1 per cent largely on a technical rebound, ending at the day's high and recouping Monday's losses. The Hang Seng index finished 118.34 ahead at 5,782.83 after selling around midday had temporarily pared strong early gains. Turnover fell to HK\$3.5bn from HK\$3.43bn.

Buying centred on blue chips but with some interest in second line industrial stocks. Hong Kong Land advanced 40 cents to HK\$13.70 and Sun Hung Kai Properties HK\$1.35 to HK\$31.25. Playmates International put on 20 cents to HK\$3.45 and Wong's International 7.50 cents to HK\$2.15.

SEOUL rose briefly in the morning on speculation that the central bank would grant a loan to three ailing investment trusts, but retreated to close

lower for a third consecutive session. The index lost a net 3.03 to 514.45 in turnover of Won129.9bn (Won121.14bn).

KARACHI recorded further losses after an announcement by opposition parties of a series of anti-government demonstrations, beginning tomorrow, added to the political uncertainty, writes Farhan Bokhari in Islamabad.

The KSE-100 index weakened 23.99 to 1,360.65.

SINGAPORE rallied from intraday lows on selective bargain hunting but still closed down on the day. The Straits Times Industrial index was finally off 9.81 at 1,412.53.

TAIWAN extended early losses and the weighted index finished at an 18-month low. The index fell 49.12 to 3,959.10 in moderate turnover of T\$22.1bn, against T\$23.94bn. The heavily weighted finan-

cial sector declined 1.4 per cent on reports that the government had set a low offer price of T\$40 for its planned sales of shares in Chiao Tung Bank and Farmers Bank later this year.

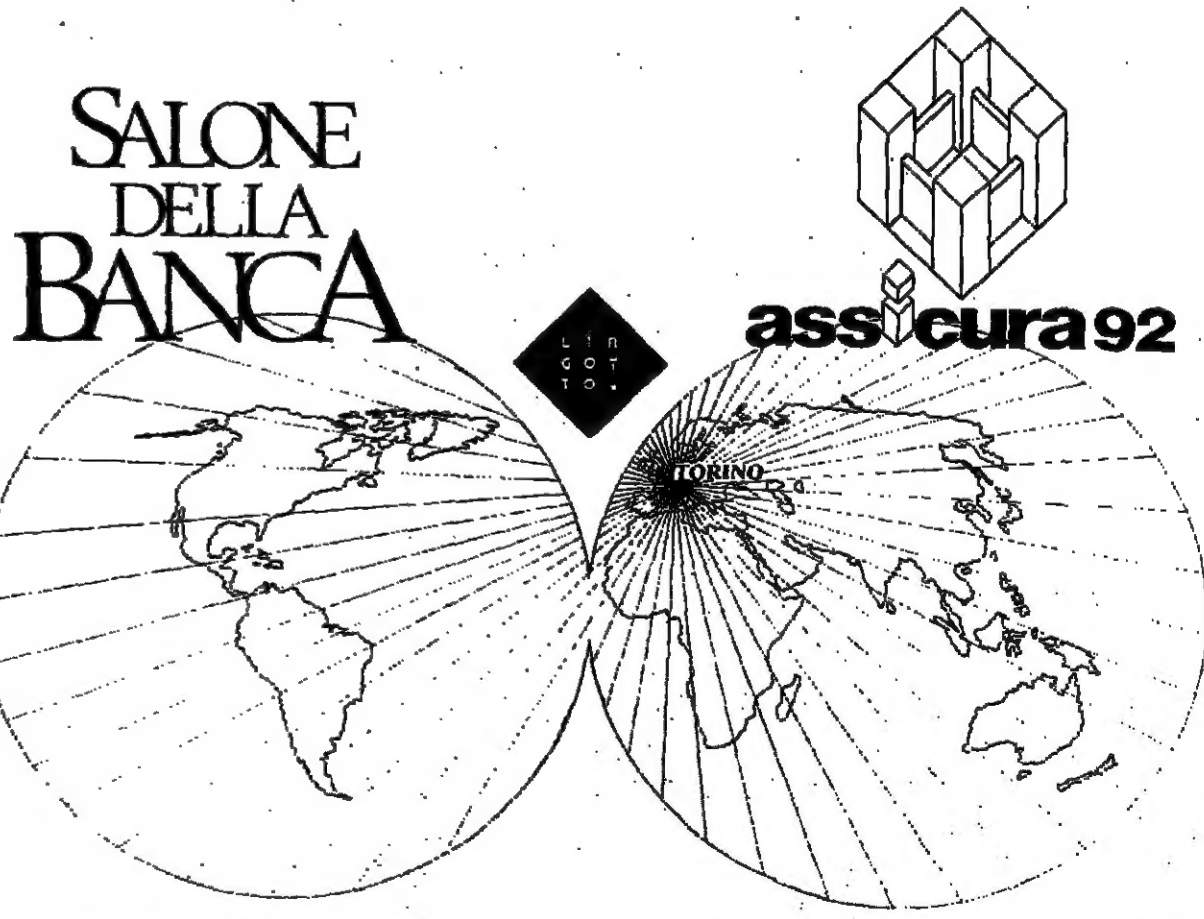
AUSTRALIA was only marginally easier after trading dominated by Pasmico, as CRA and North Broken Peck's after-hours sale on Monday was passed on to other buyers.

The All Ordinaries index closed 0.9 down at 1,605.4.

NEW ZEALAND's NZSE-40 capital index fell 1.3 per cent, mainly as a result of sharp falls in Telecom, Fletcher Challenge and Carter Holt Harvey. The index slid 19.08 to 1,531.42 in volume of just NZ\$16m.

BANGKOK's SET index slipped 2.37 to 732.57 in moderate turnover of B\$3.24bn. Thai Airways receded \$12 to B\$3.50 on institutional selling.

TURIN INVITES THE FINANCE AND INSURANCE WORLD FROM OCTOBER 22 TO 27 1992



The BANK AND INSURANCE SHOW 1992 opens at Lingotto - Turin one hundred days before the Financial Markets are unified

Exhibition categories: Banks - Financial Services Insurance Companies - Brokers - Professional Associations Equipment and Services - Intermediation Services - Trade Press Conferences, seminars, workshops, round-table discussions, meetings

General Organising Secretary: S&F S.r.l. - Via Viotti 2 - 10121 TURIN Tel. +39-11-5617203 - Fax +39-11-5617219

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	TUESDAY JULY 28 1992						MONDAY JULY 27 1992						DOLLAR INDEX						
	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	
Australia (69)	141.28	+0.0	108.62	113.96	108.28	125.26	-0.1	4.32	141.33	109.39	114.08	109.00	126.33	133.68	140.94	148.17			
Austria (15)	152.40	+0.9	117.18	122.53	116.79	116.85	+0.4	2.50	150.98	116.36	121.88	116.45	115.48	186.70	150.55	179.78			
Belgium (42)	146.26	+0.0	112.44	117.96	112.08	108.83	-0.3	5.80	145.72	112.91	117.64	112.41	110.16	182.27	135.87	127.88			
Canada (114)	127.39	+0.2	97.94	102.75	97.82	109.59	-0.1	3.19	127.10	99.37	102.58	98.02	109.43	142.12	124.32	140.25			
Denmark (25)	240.24	-0.7	184.69	192.77	184.10	185.42	+0.0	1.89	238.87	184.68	192.61	184.03	185.38	273.94	226.81	242.46			
Finland (15)	70.47	+0.2	54.18	56.84	54.00	57.75	-0.4	2.36	70.36	54.45	55.80	54.27	60.00	89.80	70.36	59.60			
France (104)	158.06	+1.4	121.63	127.50	121.13	123.49	+0.9	3.80	155.84	120.52	125.70	120.19	122.41	160.75	143.00	126.56			
Germany (64)	120.62	+1.1	92.73	97.30	92.43	92.43	+0.4	2.48	119.35	92.39	95.36	92.08	92.06	129.68	114.67	108.44			
Hong Kong (55)	241.32	+2.3	185.52	194.64	184.94	239.70	+2.3	3.42	235.97	182.64	190.47	182.00	234.42	299.55	178.36	187.45			
Ireland (16)	157.29	+0.1	120.90	126.84	120.51	122.59	-0.4	4.31	157.08	121.58	126.80	121.15	123.07	173.71	151.78	154.78			
Italy (78)	62.07	+1.3	47.72	50.07	47.57	51.83	+0.6	4.04	61.30	47.45	49.49	47.28	51.39	80.86	61.30	74.07			
Japan (473)	91.79	-0.1	70.57	74.04	70.35	74.04	-0.2	1.15	91.87	71.10	74.15	70.36	74.15	140.95	88.70	131.30			
Malaysia (69)	238.01	-0.8	182.98	191.97	182.39	223.17	-0.8	2.74	238.85	185.65	193.61	184.98	231.00	250.47	212.49	226.46			
Mexico (16)	1303.41	+0.8	1002.03	1051.30	996.84	1436.40	-2.8	1.35	1344.35	1040.52	1085.17	1098.85	1201.94	1789.77	1353.41	1121.70			
Netherlands (25)	159.72	+1.3	122.78	126.53	122.40	121.19	+0.2	4.52	156.42	122.61	125.84	122.18	120.93	157.28	147.88	138.64			
New Zealand (14)	45.69	-1.7	35.13	36.88	35.02	44.43	-1.6	5.11	46.48	35.97	37.52	35.85	45.17	48.52	42.01	48.44			
Norway (23)	171.72	+2.9	132.02	138.51	131.00	134.13	+2.3	1.87	168.68	129.15	134.89	128.68	132.09	162.99	161.26	194.41			
Singapore (38)	202.12	-0.6	155.38	163.03	154.88	193.33	-0.6	2.23	203.40	157.49	165.67	154.19	156.67	151.47	226.63	194.26			
South Africa (10)	197.22	+1.3	151.82	162.97	151.03	168.22	+0.5	3.07	194.70	157.16	165.16	157.38	160.80	194.70	182.76	186.17			
Spain (49)	135.91	+0.1	105.25	110.43	104.92	97.55	-0.3	6.02	135.75	105.94	110.29	105.47	97.80	116.21	136.48	147.17			
Sweden (29)	187.52	+2.4	144.16	151.25	143.71	148.59	+1.7	2.74	193.15	141.79	148.88	141.29	148.04	210.28	179.39	189.76			
Switzerland (82)	111.94	+1.8	86.06	90.29	86.79	90.45	+1.1	2.37	109.91	85.07	88.73	84.78	89.18	113.85	95.99	92.43			
Taiwan (22)	181.87	+0.4	145.64	156.60	146.36	159.82	+1.0	2.94	181.61	145.72	158.71	145.42	156.71	181.61	164.26	176.37			
United Kingdom (228)	171.11	+1.4	130.78	135.29	131.07	170.11	+1.4	2.54	167.80	129.98	135.46	125.42	127.87	171.86	160.92	156.59			
USA (522)																			
Australia (780)	147.04	+1.4	113.04	116.60	112.69	113.28	+0.6	4.27	145.01	112.24	117.05	111.85	112.41	158.95	139.31	138.02			
Canada (774)	77.04	+0.1	59.47	61.68	60.51	64.51	+0.2	3.27	77.34	59.77	61.92	60.92	61.92	132.02	132.02	135.56			
Denmark (63)	98.58	+0.0	75.79	75.51	75.55	80.52	+0.0	1.53	98.55	75.27	75.95	76.01	80.55	141.49	130.49	132.87			
Hong Kong - Pacific (1507)	118.18	+0.7	80.85	95.31	90.56	94.06	+0.4	2.91	117.34	80.82	94.71	90.49	92.73	145.21	138.70	135.57			
North America (526)	161.43	+1.3	129.72	135.06	128.33	165.99	+1.3	2.95	163.24	127.90	132.49	127.47	163.83	169.89	159.70	155.59			
Europe Ex. UK (582)	125.87	+1.2	96.76	101.54	96.48	97.69	+0.8	3.52	124.40	96.28	100.44	96.57	97.94	132.92	121.81	114.45			
Japan Ex. Japan (244)	120.06	+0.7	92.30	96.85	92.47	97.43	+0.7	2.94	120.06	92.30	96.85	92.47	97.43	132.92	121.81	114.45			
Latin America (1700)	120.06	+0.7	92.30	96.85	92.47	97.43	+0.7	2.94	120.06	92.30	96.85	92.47	97.43	132.92	121.81	114.45			
North America (1994)	131.68	+0.9	101.24	108.22	100.82	116.80	+0.7	2.81	130.54	101.04	106.39	100.69	115.95	150.58	127.21	139.19			
South America (2161)	135.66	+0.1	104.29	109.43	103.97	113.46	+0.8	2.92	134.36	103.99	108.47	103.64	117.58	153.03	130.04	141.58			
World Ex. Japan (1748)	180.54	+1.3	123.42	129.50	123.04	144.82	+1.0	3.45	158.70	122.67	127.86	122.77	143.31	165.40	143.20	146.38			
World Index (2222)	136.02	+1.0	104.57	109.71	104.24	118.90	+0.8	2.92	134.51	104.29	108.74	103.90	118.02	133.73	120.03	126.68	142.23		